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The COMMERCIAL & FINANCIAL CHRONICLE

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Our Reporter On "Governments"

The terms on the new certificates of indebtedness were generous —exceedingly so. . . . A ½% yield on a six months' note may not strike a casual observer as much but to experts and seasoned bond investors, that's better than had even been hoped for. . . . Apparently, Morgenthau wanted to put this issue over with a bang. . . . And judging from subscription reports, he did so. . . .

One thing this issue seems to have done is to have set off a strong buying movement in all the high-grade bond markets. . . . The fact that this is so is of first importance. . . . For the outlook now is for a steady upward trend in the Government mart—and in the corporate and municipal lists—for at least a few weeks. . . .

The reasoning behind this is scarcity. . . . Scarcity of long-term bonds. . . . In this column last week, the story was printed that Morgenthau may be out to "starve" the market for longs for a while, so he can come back with a real long-term offering in May or June and put it over. . . . There seems to be more to that than just a "story." . . .

Demand Created

For months, the Government bond market has been compelled to absorb one billion-dollar issue after the other. . . . Since the war broke out, the Treasury has raised $3,000,000,000 through the bond markets. . . . In December, the financing consisted of $1,000,000,000 of 30-25 year 2½s and $500,000,000 of 14-10 years 2s. . . In February, the financing revolved around $1,512,000,000 13-10 year 2¼s. . . .

At the end of January, the percentage of bond issues to the total outstanding interest-bearing debt was 71%. . . . Comparing with a ratio in 1935 of 54% bonds to the total. . . .

Obviously, the market has been crowded with bond issues in the last few years and especially in the last six months. . . . A rest has been and was needed when Morgenthau decided to return to the certificate of indebtedness as a means of raising money. . . .

But the fact is the market didn't expect a rest. . . . All professionals and ordinary investors were waiting for a bond offering, preparing for one. . . .

And instead, they were greeted first with the news that a certificate was coming and then with the announcement that the issue would be only six months' long and would carry ½% interest. . . .

Insurance companies can't buy this type of paper. . . . The rate is too low, the maturity is too short. . . . Banks will buy as much of this sort of security as they can, of course, but on this last issue, they were limited by the now customary "free riding" rules. . . .

Corporations are the only ones being encouraged to pick up short-term stuff to keep their cash invested while waiting for tax dates or for war expenses to materialize. . . .

Translating all this into market terms, the fact is the Treasury is creating a demand for long-term bonds. . . . The omission of its expected bond issue this month is helping considerably in this step. . . . And, incidentally, for confirmation of this, turn to the corporate and municipal markets. . . . They reflect the "starvation" angle more than the Government market. . . .

Whether or not the Treasury chief wanted to stimulate the long-term bond markets, that has been one result of his certificate

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OUR REPORTER'S REPORT

Investment bankers and dealers who participate in the distribution of new securities could only regard this week's developments with a feeling of mixed emotions. The period was marked by both favorable and unfavorable events.

Perhaps the mosts interesting, since it tended to run counter to the trend, was the announcement by the Public Service Electric and Gas Company, subsidiary of the Public Service Corporation of New Jersey, of its decision to finance through public offering, rather than as it had contemplated by direct sale of an issue of bonds to a group of insurance companies.

This company had planned the sale of an issue of $15,000,000 of thirty-year 3% refunding mortgage bonds at par direct to a group of seven insurance firms.

At a recent hearing, however, on the company's plea for exemption from the competitive bidding requirements of the Securities and Exchange Commission, however, the company decided to withdraw its plea, and submit the bonds to competitive bidding by investment bankers.

The company was due to present details of the projected financing at a hearing before the SEC today. Meanwhile, due to restrictions imposed by the War Production Board on deliveries of railroad equipment, two railroads, the Louisville & Nashville and the Missouri Pacific decided to abandon projected sales of equipment trust issues for which bids already had been asked.

Price the Consideration

The decision of the Public Service Electric and Gas Corporation to switch from private placement to public offering was considered

(Continued on page 1431)

1941 Corporation Net Profits 17% Above 1940 According To Federal Reserve Of N. Y. Report

The Federal Reserve Bank of New York reports, in its April "Monthly Review," that during 1941, increases in wage and material costs and much higher Federal taxes only partially offset the effect on corporation profits of the record business volumes and, as a result, net profits of leading corporations, as measured by the bank's compilation of the net profits of 899 commercial and industrial corporations, were 17% higher than in the previous year and 18% above the 1937 level. The bank points out that as indicated in the accompanying table, all groups of companies with the exception of tobacco, gold and silver mining, and bakery products, had larger net profits than in 1940. The largest percentage gains over 1940, it notes, occurred in the leather and shoe, coal mining, petroleum, meat packing, shipping, aircraft manufacturing, and textile groups. Of the 899 companies listed, 410 durable goods producers showed a gain in net profits over a year before amounting to 18%, while 435 companies in the nondurable goods and service fields gained 13% and 54 companies engaged in mining increased net profits 11%.

The Bank's report continues:

Reflecting a 22% increase in the volume of railway freight car loadings and also relative immunity from the effects of the excess profits tax owing to the large amounts of invested capital, net income (after all charges) of Class I railroads in 1941 approximately equaled the 1930 level and amounted to $502,000,000, as compared with $185,000,000 in 1940. Net income of 33 telephone companies, all of which had gross incomes in excess of $1,000,000, receded 3% below the level of 1940 but remained 4% above 1937. Net income of a group of other public utility companies increased 4% over 1940 and almost 10% over 1937.

A tabulation of pertinent profit and loss and balance sheet data of 172 commercial and industrial corporations which publish such figures indicates that gross sales for these companies rose 36% over 1940, cost of goods sold (including State and local taxes) increased 33% and net profits before Federal taxes were 61% higher. Deductions for Federal income and excess profits taxes, which had averaged approximately 18% of net profits before taxes in each of the three years ended in 1939 and which had increased to 32% in 1940, advanced further to 53% of net profits before taxes in 1941. As a result, the gain over 1940 in net profits after all charges for this group of companies was reduced to 12%. Total cash on hand as of Dec. 31, 1941 for the same group, plus holdings of tax anticipation notes (available for payment of Federal taxes) increased 25% over the year, and inventories, reflecting the larger volume of production and increased material costs, rose 23%. Total Federal taxes, as estimated by these corporations, were equal to 57% of the cash and tax anticipation notes available on Dec. 31, 1941 whereas, at the close of the preceding year, Federal tax liability was calculated at about 27% of cash holdings.

Fourth quarter profits of a restricted list of 167 companies

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C. Ellwood Kalbach Named Long V.-P.

Hugh W. Long & Co., 15 Exchange Place, Jersey City, N. J., national distributors for Fundamental Investors, Manhattan Bond Fund, New York Stocks announce the election of C. Elwood Kalbach as Eastern Vice-Pres.

C. Ellwood Kalbach

Mr. Kalbach is well known to investment houses in many sections of the country. He has been actively engaged in various phases of the investment trust business for 13 years since 1929 when he was also identified with Mr. Long and others of his present associates.

About a year ago the company called in Mr. Kalbach to do some special work originally planned to last only a month. The success of this undertaking led to others and finally to the announced appointment.

Trading Markets in
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Republic Of Chile External Bonds

ATTRACTIVE SPECULATIONS

Increasing Copper Exports And Stable Nitrate Business Lend Promise Of Larger Interest Payments And Full Scale Amortization

All external bonds of the Republic of Chile receive the same treatment under provisions of the External Debt Service Adjustment of 1935; consequently, all dollar bonds tend to sell at approximately the same prices.

Following a lengthy period during which service of the external debt had ceased, a plan was devised in 1935 under which direct and guaranteed obligations of the Chilean Government were to be serviced from certain specific revenues. In December, 1940, debt amortization, which was also provided under the plan, was temporarily suspended, but was partially resumed in June, 1941. At the present time, partial interest is being paid on Chilean bonds which have assented to the Government's plan and which have been so stamped.

Under provisions of this plan, certain revenues which the Treasury is entitled to receive as participation in the profits of the nitrate business and the yield of certain taxes and surtaxes levied on copper enterprises is allocated to the Amortization Institute for servicing the external debt. However, by provisions of the Law for Relief and Reconstruction of the Devastated Earthquake Zone and for the Promotion of Production, the President of Chile is authorized to use the funds allocated to the Amortization Institute for the purposes of that law. Any such funds so used are to be repaid to the Institute as soon as certain foreign loans are contracted.

While funds available for the payment of interest have been fully disbursed in recent years, the portions available for debt retirement have been used by the Institute only in relatively small proportions.

The total income received by the Institute from nitrate profits (whose sale is controlled by the Government) and from copper taxes is divided into two parts, one of which is to be used to pay interest up to the amount originally agreed to, and the other to be applied by the Institute to the redemption or amortization of the foreign debt by direct purchase in the market or by drawing at par. Interest payments are made on specific coupons and only on bonds deposited and stamped "assented." "Unassented" bonds are entitled to receive the interest declared payable only if they are deposited in the calendar year during which the payment on the assented bonds has been made. The funds available for such unassented bonds which are not used then become available for redemption or amortization of bonds.

Since 1935, the following interest payments have been made on Chile's external debt. These payments are made in February of the year following the declaration:

1935	$4.75	per $1,000 principal amount
1936	6.05	per $1,000 principal amount
1937	7.86	per $1,000 principal amount
1938	20.925	per $1,000 principal amount
1939	15.225	per $1,000 principal amount
1940	15.39	per $1,000 principal amount
1941	15.58	per $1,000 principal amount

The distribution of $15.58 for 1941 was paid on all assented bonds on Feb. 1, 1942. This payment, although slightly more than was paid in 1940, was less than expected since the Institute has used only small portions of its receipts for amortization. In 1941, for example, the Institute's receipts totaled $9,486,000, of which 50%, or $4,743,000 went for interest, leaving approximately $4,500,000 (after estimated expenses) available for bond retirements. However, only $3,113,000 face amount of dollar bonds, Frs. 18,500 Swiss franc bonds and £1,300 of sterling bonds were retired, and it is hardly likely that the

(Continued on page 1440)

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Reinholdt & Gardner Absorb Francis, Bro.

ST. LOUIS, MO.—Reinholdt & Gardner, 400 Locust Street, members of the New York, St. Louis and Chicago Stock Exchanges, have acquired the investment business of Francis, Bro. & Co., one of the oldest New York Stock Exchange firms in St. Louis, which was established in 1877 by David R. Francis, Sr., a former governor of Missouri and Ambassador to Russia. Reinholdt & Gardner, while making no partnership changes, plan to absorb as much of the Francis personnel as possible.

The three senior partners of Francis, Bro. & Co., J. D. Perry Francis, Talton T. Francis, and J. Gates Williams, are planning to retire from active business, but will continue the firm's business for some months in order to wind up their affairs, and will retain their Stock Exchange memberships. Other partners in the Francis, Bro. & Co. organization are James L. Sullivan and Andrew S. Mills.

Partners in Reinholdt & Gardner are Russell E. Gardner, Jr., Julius W. Reinholdt, Jr., Carl H. Langenberg, Fred W. Gardner, Henry F. Langenberg and W. L. Dahl.

Central States IBA Group Elects Govs.

CHICAGO, ILL. — The Central States Group of the Investment Bankers Association of America has elected William H. Brand, The Wisconsin Company of Milwaukee, and Pat G. Morris, The Northern Trust Company of Chicago, as governors of the I. B. A. from their group. The new governors will take office at the close of the 1942 convention of the association and will serve for three year terms.

John E. Blunt III, Lee Higginson Corporation of Chicago, has been re-elected a governor of the association for an additional two-year term.

Eugene Hall Now With J. M. Dain & Company

MINNEAPOLIS, MINN.—J. M. Dain & Company, Rand Tower, announce that Eugene W. Hall has become associated with their firm. Mr. Hall was formerly assistant secretary for Geo. C. Jones Co. with which he was connected for a number of years. Prior thereto he was with Riter & Co. and Dillon, Read & Co.

Gene E. Kuder Is Now With Adams-Fastnow

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Gene E. Kuder has become associated with Adams-Fastnow Company, 215 West Seventh Street, members of the Los Angeles Stock Exchange. Mr. Kuder was formerly Vice-President and Manager of the sales department of Pledger & Co., Inc. for many years.

Actual Trading Markets in:
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LaSalle Street Women Organize For Defense

CHICAGO, ILL.—A new organization, known as "LaSalle Street Women", has been formed here. Its membership includes women working in investment banking, brokerage, investment trust, investment counsellor, and affiliated organizations, who are interested in knowing other women in these fields and/or doing defense work. Some 25 LaSalle Street women met last Fall to help with a job survey in the financial field, and decided that a permanent organization would be worthwhile for acquaintanceship.

With the coming of war, the organization was undertaken more rapidly than had been contemplated, and the original objectives were put aside, except as they might be furthered incidentally, war work to come first.

The primary objective of the organization is to assist women in finding the office and business type of work they are best fitted to perform in the war effort. Although the organization has been functioning only since February, some 110 women have already done volunteer work of a business nature to aid the sale of defense bonds, to help the state office of civilian defense, the U.S.O., etc.

Luncheon meetings are held on the first and third Wednesdays of each month at the YMCA Cafeteria on LaSalle Street. Officers and speakers are on hand from 11:30 till 2:30 to conduct business sessions several times during this period, for the members come and go according to their individual lunch-hours. Dinner meeting are to be held two months, the next one to be late in April.

Gillen & Co. Formed In New York City

Gillen & Company has been formed with offices at 120 Broadway, New York City to conduct a business in stocks and bonds. Partners of the new firm are Harold W. Gillen, Amos Ritchie Poole, and James Noah Slee. Mr. Gillen was formerly a partner in Throckmorton & Gillen and prior thereto was with Reynolds & Co. and F. A. Willard & Co. Mr. Poole was with D. C. Webster & Co. of Syracuse and was a partner in Sherman & Poole of Utica and in F. A. Willard & Co. Mr. Slee in the past was a partner in Grover O'Neill & Co. and at one time held membership on the New York Stock Exchange.

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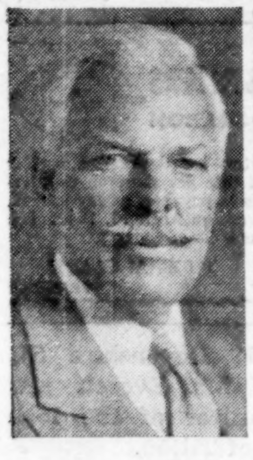
Stanley Eaton With Bendix, Luitweiler

Stanley C. Eaton has become associated with Bendix, Luitweiler & Co., 52 Wall Street, New York City, members of the New York Stock Exchange, in their bond department. Mr. Eaton was formerly a partner in the New York Stock Exchange firm of F. J. Lisman & Co. and for seven years was connected with the Lisman Corporation. For the past year and a half he has been with P. J. Steindler & Co. in charge of their railroad bond department.



Stanley C. Eaton

In his new connection, Mr. Eaton will specialize in inactive rail securities.

Tuerk Back From Florida

CHICAGO, ILL. — Fred R. Tuerk, partner in Fuller, Cruttenden & Co., 209 South La Salle Street, is returning to his desk from a trip to Florida.

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Butcher & Sherrerd Enlarge Organization

PHILADELPHIA, Pa.—Butcher & Sherrerd, 1500 Walnut Street, members of the New York and Philadelphia Stock Exchanges have taken over the Philadelphia office of Burr & Company, enlarging their organization by 25 security men, and have opened a new department to deal in government insured Federal Housing Administration Bonds.

Frederick T. Seving and Charles G. Rodgers, formerly vice-presidents of Burr & Company, have become managers of the investment department of Butcher & Sherrerd. The new FHA mortgage department will be in charge of Joseph L. Aylesworth, Jr., previously manager of the Burr & Company FHA department in Philadelphia, and William F. Sey.

Others added to the Butcher & Sherrerd staff are: Ernest M. Brown, manager of the municipal department of the Philadelphia office of Burr & Company, R. B. Callahan, James W. Doyle, Charles P. Egolf, Jr., Charles H. Evans, A. H. Fenstermacher, Roger W. Gardner, Cameron M. Geisel, William C. Gutman, Francis W. Herr, John S. Hill, Wilbur S. Jeffery, Addison M. Lippincott, William J. Nichols, Norman Rile, Edson B. Sammis, Harry T. Snyder, Ray H. Snyder, T. Ward Tate, and M. D. Wilson.

C. Young & J. Reed With Merrill Lynch

(Special to The Financial Chronicle)

PORTLAND, ORE. — Clarence R. Young, Julian H. Reed, Myron N. Reed, Raleigh F. Graver, William F. Hallam, Dean Harold Hayes, and Louis Brooks Ragen have become associated with Merrill Lynch, Pierce, Fenner & Beane, 506 Southwest Sixth Avenue. All were formerly with the local office of Dean Witter & Co., of which Mr. Young was manager of the brokerage department, and Julian H. Reed manager of the bond department.

To Address Bond Club

W. A. Paterson, President of the United Air Lines Transport Corporation, will address the Bond Club of New York at its next luncheon meeting to be held at the Bankers Club on April 16. J. Taylor Foster, President of the Bond Club, will preside at the luncheon.

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New Class For Show Of Wall St. Riding Club

Gerhard H. Struckmann, Chairman of the Committee for the 7th Annual Charity Horse Show of the Wall Street Riding Club, announces that a new class has been added by popular request. This class will make for 32 events and will be for Hunter Type Utility Saddle Horse to be shown at a walk, trot, canter, and hand gallop; it will be for amateurs only. in an official capacity for over

Entries for the Seventh Annual Horse Show of the Wall Street Riding Club have closed, and judging by the number, the event promises to be one of the outstanding shows of the Spring season. A number of entries have been received from the financial community.

The show will take place on the afternoon and evening of Saturday, April 11, at the Riding & Polo Club, 32 West 67th Street, New York City. A dance will follow at the conclusion of the show in the evening.

Net proceeds will be donated to the Tribune Fresh Air Fund, which last year was the recipient of a sizable amount from the Sixth Annual Show. The Fresh Air Fund previous summer vacations for many under-privileged children.

Burton Wander, President of the Club, has invited as guests for the afternoon and evening a number of service men from the U.S.O. Other club officers who will help entertain are Joseph Landsberg, Vice-Pres. and Treasurer, Miss Frances M. Weller, Secretary; William Salisbury, Treasurer, and Miss Marie R. Cambridge, Secretary of the Horse Show Committee.

Harvey D. Gibson has again placed his trophy in competition for members of the Wall Street Riding Club. Other patrons of the show, who are also members of the club's board of advisors, include Messrs. Chase Donaldson, E. Roland Harriman, Jansen Noyes, John M. Schiff, and B. A. Tompkins.

To Form Anderson Bros.

W. Colford Anderson and Elliott M. Anderson, both members of the New York Stock Exchange, will form Anderson Bros., with offices at 71 Broadway, New York City, as of April 10. Both were formerly individual floor brokers.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 6 that the tenders for $150,000,000 or thereabouts, of 72-day Treasury bills, to be dated April 8 and to mature June 19, 1942, which were offered on April 3, were opened at the Federal Reserve Banks on April 6. The following details of this issue are revealed:

Total applied for	$333,669,000
Total accepted	150,414,000

Range for accepted bids (excepting one tender of $20,000):

High — 99.970. Equivalent rate approximately 0.150%.

Low — 99.944. Equivalent rate approximately 0.280%.

Average Price 99.947. Equivalent rate approximately 0.264%.

(91% of the amount bid at the low price was accepted.)

Dunne Will Address Texas Group Of IBA

Frank Dunne, Dunne & Co., New York City, President of the New York Security Dealers Association, has been invited to address the Texas group of the Investment Bankers Association, on the over-the-counter market, at their Spring meeting at the Rice Hotel, Houston, April 16th.

Paul Plotz Joins Goven, Eddins & Co.

CHICAGO, ILL.—Paul Plotz has become associated with Goven, Eddins & Co., 11 South LaSalle Street, where he will specialize in real estate, industrial and public utility stocks and bonds. Mr. Plotz for many years had his own firm in LaSalle Street and recently has been associated with Anderson, Plotz & Co.

Harold C. Walker Is Now With Loewi Co.

MILWAUKEE, WIS. — Harold C. Walker, formerly in charge of the Milwaukee office of Riter & Co., has joined Loewi & Co., 225 East Mason Street.

Milo F. Snyder has resigned as Secretary of Loewi & Co. and has become financial officer of Ampco Metal, Inc., Milwaukee.

We are pleased to announce
the election of
C. ELLWOOD KALBACH
as
Eastern Vice-President

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AND COMPANY

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Costigan, Jr. Named Asst. V.-P. Of Whitaker

ST. LOUIS, MO. — Announcement is made by Whitaker & Company, Fourth and Olive Sts., members of the St. Louis Stock Exchange, that Edward J. Costigan, Jr., has been elected Assistant Vice-President. Mr. Costigan entered the employ of the Company about four and one-half years ago as a Statistician following completion of his studies at Harvard Business School and Stamford University, and was elected Assistant Treasurer of the Company in 1941. His father, Edward J. Costigan, President of the Company, entered its employ over fifty-one years ago and has served in an official capacity for over thirty-five years.

The following officers were re-elected: Edward J. Costigan, President; Roy A. Dickie, Vice-President; Oliver F. Cuddy, Secretary; Frank T. Moloney, Treasurer; Max M. Mason, Assistant Secretary; John M. Max, Assistant Treasurer; Oliver A. Laun, Auditor.

UTILITY PREFERREDS

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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, MASS.—**Thornton A. Snow** has been added to the staff of **H. C. Wainwright & Co.**, 60 State St.

(Special to The Financial Chronicle)

HARTFORD, CONN. — **Charles Stuart Robson** has become associated with **Eddy Brothers & Co.**, 33 Lewis St. Mr. Robson in the past was a partner in Tweedy and Robson and Robson and Wallace in New York City.

(Special to The Financial Chronicle)

BOSTON, MASS.—**Oscar E. Boline** has been added to the staff of **Hornblower & Weeks**, 60 Congress St.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Arthur W. Hendrickson,** formerly with Fred W. Fairman & Co., has become connected with **Blair Securities Corp.**, 135 South La Salle St.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Robert Gregg Berry, Jr.,** for many years with F. S. Moseley & Co., is now associated with **Hornblower & Weeks,** 39 South La Salle St.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Joseph W. Hirsch,** previously with Stern, Wampler & Co., Inc., is now with **Kebbon, McCormick & Co.,** 231 South La Salle St.

(Special to The Financial Chronicle)

CORAL GABLES, FLA.—**Herbert T. McNichol** has joined the staff of **Gordon Graves & Co.,** whose main office is located at 30 Broad St., New York City. Mr. McNichol in the past was local manager for H. Hentz & Co. and was Miami Beach manager for E. F. Hutton & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Philip B. Reagan** and **Alex. Theodore Robinson** have become associated with **Bankamerica Company,** 650 South Spring St. Mr. Reagan was previously with Searl - Merrick Company and Hopkins, Hughey & Anderson; Mr. Robinson was with Floyd A. Allen & Co., Quincy Cass Associates, Curtiss Bingham & Co. and Wulff, Hansen & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Samuel C. Patrick** has joined the staff of **Fewel, Marache & Co.,** 453 South Spring St. Mr. Patrick was previously with Empire Securities Corp. and General Industries Corp.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **Franklin M. Bell** has become associated with **E. F. Hutton & Co.,** 623 South Spring St. Mr. Bell was formerly with M. H. Lewis & Co., Blyth & Co., Inc., and Merrill, Lynch & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **Arthur L. Jepson,** previously with O'Melveny-Wagenseller & Durst, and in the past with Bayly Brothers, Inc., has become connected with **Pacific Company of California,** 623 South Hope St.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Clarence H. Cruikshank** has become affiliated with **Wyeth & Co., 647** South Spring St.

(Special to The Financial Chronicle)

MIAMI, FLA.—**Budd G. Moore**, in the past with J. S. Bache & Co., Alexander Eisemann & Co., and Abbott, Proctor & Paine, has been added to the staff of **Gordon Graves & Co.,** whose main office is at 30 Broad St., New York City.

(Special to The Financial Chronicle)

MIAMI, FLA.—**Harold Emerson Evans is now with United Securities Corporation,** Biscayne Building.

(Special to The Financial Chronicle)

OAKLAND, CALIF.—**James C. Murphy,** previously with Dean Witter & Co. and Wm. Cavalier & Co., has become connected with **Davies & Co.,** 1404 Franklin St.

(Special to The Financial Chronicle)

OAKLAND, CALIF.—**Ernest O. Kaufmann** has joined the staff of **Wilson, Johnson & Higgins,** Central Bank Building.

(Special to The Financial Chronicle)

PASADENA, CALIF. — **Samuel Wesley Horton** has become affiliated with **Davies & Co.,** Pacific Mutual Building, Los Angeles, Calif. Mr. Horton was formerly with Merrill Lynch, Pierce, Fenner & Beane, and prior thereto was with Bateman, Eichler & Co. and Boothe, Gillette & Co.

(Special to The Financial Chronicle)

PORTLAND, ORE.—**William B. Boone** has become connected with **Blyth & Co., Inc.** Mr. Boone was formerly with Dean Witter & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — **Paul T. Phiambolis** has become associated with **Murdoch, Dearth & White, Inc.,** Mississippi Valley Trust Building. Mr. Phiambolis was formerly with Francis, Bro. & Co., and prior thereto for a number of years was with Neuwoehner, Gremp & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Percival D. Kahn,** formerly with Merrill Lynch, Pierce, Fenner & Beane and Carl Raiss & Co., has become associated with **J. Barth & Co.,** 482 California St.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Geno Galigani** and **Frank L. Kirchner** have become affiliated with **Davies & Co.,** Russ Building. Mr. Galigani was previously with Dean Witter & Co. and Keyston & Co. Mr. Kirchner was for many years with the local office of Hill Richards & Co. and its predecessors, Bennett, Richards & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Archibald C. MacFadyen** has joined the staff of **Davis, Skaggs & Co.,** 211 Montgomery St.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**John Delano Shearman** is with **Supple, Griswold & Co.,** 235 Montgomery St. Mr. Shearman was formerly with John C. Roche & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Henry A. Young,** formerly with Stone & Youngberg, is now with **John M. Williams Co., Ltd.,** Russ Building.

(Special to The Financial Chronicle)

SEATTLE, WASH. — **Forrest Watson,** for several years with Dean Witter & Co., has become connected with **MacRae & Arnold,** 1411 Fourth Avenue Building.

(Special to The Financial Chronicle)

TILTON, N. H.—**Eldon F. Everett** has joined the staff of **Bishop-Wells Co.,** 161 Devonshire St., Boston, Mass. Mr. Everett was formerly Treasurer of the Iona Savings Bank of Tilton.

FINANCIAL NOTICE

NOTICE TO HOLDERS OF

THE NEW YORK AND GREENWOOD LAKE RAILWAY COMPANY

PRIOR LIEN 5% BONDS

Notice is hereby given that the Reorganization Managers of Erie Railroad Company have petitioned the District Court of the United States for the Northern District of Ohio, Eastern Division, for an order authorizing Erie Railroad Company to ask the holders of The New York and Greenwood Lake Railway Company Prior Lien Bonds to deposit their Bonds with the City Bank Farmers Trust Company, as depositary, in exchange for Certificates of Deposit, in connection with a proposal for the exchange of The New York and Greenwood Lake Railway Company Prior Lien Bonds for cash and securities of the reorganized Erie Railroad Company or, at the option of the holders of The New York and Greenwood Lake Railway Company Prior Lien Bonds, for cash alone.

The Court has set said petition for hearing before William L. West, Special Master, in Room 630, Bulkley Building, 1501 Euclid Avenue, Cleveland, Ohio, on the 13th day of April, 1942, at 10:00 o'clock A. M., Eastern War Time. Any holder of a The New York and Greenwood Lake Railway Company Prior Lien Bond has a right to be heard at such hearing, at which the Court will be asked to approve the terms and conditions of the issuance of such Certificates of Deposit and of the exchange thereof for The New York and Greenwood Lake Railway Company Prior Lien Bonds. A copy of said petition is on file with said Special Master, and a copy will be mailed to any bondholder upon request to Erie Railroad Company.

HOLDERS OF THE NEW YORK AND GREENWOOD LAKE RAILWAY COMPANY PRIOR LIEN BONDS SHOULD ADVISE ERIE RAILROAD COMPANY, MIDLAND BUILDING, CLEVELAND, OHIO, OR 50 CHURCH STREET, NEW YORK CITY, IN WRITING, AS PROMPTLY AS POSSIBLE, OF THEIR NAMES, ADDRESSES, AND THE AGGREGATE AMOUNTS, DENOMINATIONS AND NUMBERS OF THE PRIOR LIEN BONDS HELD, so that, if the proposed exchange be authorized by the Court, Erie Railroad Company can communicate with such holders.

ERIE RAILROAD COMPANY.

DIVIDEND NOTICES

A.C.F.

AMERICAN CAR AND FOUNDRY COMPANY

30 CHURCH STREET
NEW YORK, N. Y.

There has been declared, out of the earnings of the fiscal year now current, a dividend of one and three-quarters per cent (1¾%) on the preferred capital stock of this Company, payable April 21, 1942 to the holders of record of said stock at the close of business April 14, 1942.

Transfer books will not be closed. Checks will be mailed by Guaranty Trust Company of New York.

CHARLES J. HARDY, *President*
HOWARD C. WICK, *Secretary*

April 3, 1942

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

New York, N. Y., March 31, 1942.

The Board of Directors has this day declared a dividend of One Dollar ($1.00) per share, being Dividend No. 117, on the Common Capital Stock of this Company, payable June 1, 1942, to holders of said Common Capital Stock registered on the books of the Company at close of business April 30, 1942.

Dividend checks will be mailed to holders of Common Capital Stock who have filed suitable orders therefor at this office.

D. C. WILSON, Assistant Treasurer.
120 Broadway, New York, N. Y.

CANCO **AMERICAN CAN COMPANY**

COMMON STOCK

On April 7th, 1942 a quarterly dividend of one dollar per share was declared on the Common Stock of this Company, payable May 15th, 1942, to Stockholders of record at the close of business April 23rd, 1942. Transfer books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

COLUMBIA SYSTEM

COLUMBIA GAS & ELECTRIC CORPORATION

The Board of Directors has declared this day the following dividends:

Cumulative 6% Preferred Stock, Series A
No. 62, quarterly, $1.50 per share

Cumulative Preferred Stock, 5% Series
No. 52, quarterly, $1.25 per share

5% Cumulative Preference Stock
No. 41, quarterly, $1.25 per share

payable on May 15, 1942, to holders of record at close of business April 20, 1942.

DALE PARKER
April 2, 1942 *Secretary*

NATIONAL DISTILLERS PRODUCTS CORPORATION

NATIONAL DISTILLERS

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on May 1, 1942, to stockholders of record on April 15, 1942. The transfer books will not close.

THOS. A. CLARK
March 26, 1942 TREASURER

FINANCIAL NOTICE

Notice to the Holders of:

Kingdom of Denmark

Twenty Year 6% External Gold Bonds, Due January 1, 1942
Thirty-Year 5½% External Loan Gold Bonds, Due August 1, 1955
Thirty-Four Year 4½% External Loan Gold Bonds, Due April 15, 1962

City of Copenhagen

Twenty-Five Year 5% Gold Bonds, Due June 1, 1952
Twenty-Five Year 4½% Gold Bonds, Due May 1, 1953

Danish Consolidated Municipal Loan

Thirty-Year 5½% External Sinking Fund Gold Bonds, Due November 1, 1955
Twenty-five Year 5% External Gold Bonds, Due February 1, 1953

Mortgage Bank of the Kingdom of Denmark

(Kongeriget Danmarks Hypotekbank)

Forty-five Year 5% Sinking Fund External Gold Bonds Series IX, of 1927
Due December 1, 1972

The undersigned Minister of Denmark in Washington makes the following statement for the information of bondholders of the above-described issues:

For the purpose of paying April 15, 1942 coupons of Kingdom of Denmark Thirty-Four Year 4½% External Loan Gold Bonds, due April 15, 1962, May 1, 1942 coupons of City of Copenhagen Twenty-Five Year 4½% Gold Bonds, due May 1, 1953, and May 1, 1942 coupons of Danish Consolidated Municipal Loan Thirty-Year 5½% External Sinking Fund Gold Bonds, due November 1, 1955, I propose to put the particular paying-agents in funds so far as it is estimated to be necessary to make coupon payments to holders, other than residents of Denmark, of bonds of these three issues.

April 15 and May 1, 1942 coupon payments will be subject to such licences as may be granted to paying-agents by the United States Treasury.

In conformity with my announcement of January 21, 1942, I purpose to make subsequent announcements with a view to keeping bondholders informed of further developments relating to the above-described loans.

HENRIK KAUFFMANN
Envoy Extraordinary and Minister Plenipotentiary
of His Majesty the King of Denmark

Washington, D.C., April 8, 1942.

Tomorrow's Markets Walter Whyte Says—

Tax news to dominate market next few days. Individual stocks beginning to show positive trends. Quality so far limited to higher priced issues. A few "buys" recommended.

By WALTER WHYTE

* * *

The market news for the earlier part of the coming week will come from Washington. The tax bill is due to make page one news again and the market will take at least part of its cue from what is shouted on the floors of Congress.

* * *

Naturally the surtax rates will be stumbling blocks. No one really knows yet what the final rate will be, but if you take a figure of say 55% I don't think you'll be far wrong.

* * *

Obviously a large number of our leading companies will show smaller net earnings and dividends will also come down. But taxes, earnings and dividends are something for the statistician to figure out. This column is primarily concerned with security prices; more specifically their future. If I mention taxes and earnings it is not because I think they will have a real effect on prices, but because many people think they will.

* * *

Don't misunderstand me. Changes in tax procedure that hit earnings do affect the security markets but their effect is frequently absorbed in the action of individual stocks before these changes become official. Man-made things like taxes can be foretold by markets. It is wars and their hazards — even though man-made as well— that put a quietus on market trends.

* * *

Last week I outlined three possibilities for the stock market. These were: (1) They can hem and haw at present levels and do nothing. (2) They can break through the lows and go lower. (3) They can turn around and go higher. I then pointed out the possibilities if any of these things materialized.

* * *

Of the three, the last is what actually occured. The market did go up last week, but it didn't do so on any volume. It is this persistent lack of volume which is disturbing. But volume or no volume, the market did accomplish a nice piece of work in going through the 70 (N. Y. "Times" average) figure. For in doing that it has established a base that may well hold for more than a few days. In any case, it provides a bulwark for stops. This does not mean that the market will now go up and stay up. Current markets don't act that way.

* * *

In Monday's advance the market ate up considerable stock which it must now sit back and digest. What I expect now, is for prices to sink back to about the lows of last Thursday (April 2nd), stay there for awhile and then start up again.

* * *

Applying this theory to individual stocks, particularly the leaders, I see the following: American Telephone has offerings between 118½ and 119½, on a set back it will meet support between 116 and 117.

* * *

Atchison, one of the better acting rails, is running into storms from 37½ to 39. I do not think it is ready to go through yet. On the support side 35½-36 stand out. I suggest buying it in that range, but not to carry it under 34.

* * *

Chrysler is another better-than-market actor. Since Mar. 9th it has consistently run higher than the market. It, too, runs into offerings from 56 to 58. On the downside resistance shows up at 54-54½. If you buy it, stop it at 53.

* * *

General Motors doesn't run as high in market performance as Chrysler. From 35-36 it meets stock, but 34 should mark the lower limits of any nearby decline.

* * *

The steels are full of false signals. It is their action which is so disturbing, for the steels act as bellwethers too often to be ignored. For the time being, however, the steels will just have to be watched.

* * *

International Harvester, another good performer in last week's market, is up against 44-46 offerings. On the downside 42 should hold it. If it holds above 43, however, and starts up, it will indicate more than a minor up move. I suggest a small position in Har-

(Continued on Page 1437)

Guaranteed Railroad Stocks

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Last week the Interstate Commerce Commission finally released the results of the voting by security holders on the reorganization plan of Missouri Pacific, including New Orleans, Texas & Mexico and International-Great Northern. The results were hardly surprising, but presumably presage a higher court test of one more feature of Section 77 of the Bankruptcy Act. Alleghany Corporation, holder of large blocks of certain of the junior securities of Missouri Pacific, had waged a bitter fight against the proposed reorganization, both in the press and through the mails, urging other holders to cast their ballots in opposition thereto. To a degree their campaign was successful.

Such groups as International-Great Northern Adjustment bonds, and Missouri Pacific General Mortgage 4s, Debentures, and Secured 5¼s, all of which are to receive nothing but new common stock, showed majorities in opposition. The adverse votes ran from about 70% to 80% of all valid votes cast in each class. With respect to senior claims, however, the opposition campaign met with relatively little success. Of the large senior mortgages, the International-Great Northern 1st 5s and 6s voted 69.16% in favor, New Orleans, Texas & Mexico 1st Mortgage voted 85.40% in favor, and Missouri Pacific 1st & Refunding 5s supported the Commission plan with a majority of 78.81%.

Under Section 77 of the Bankruptcy Act, the District Court must give final approval to the plan if more than two-thirds of the voters voting in each class uphold the terms. Obviously this does not apply in the case of a split vote, such as the Missouri Pacific plan brought forth, even though the great part of the opposition came from junior claims, entitled to participate at all only after senior claims have been met in full. There is another provision in Section 77, however, which states that the Court **may** approve the plan regardless of the vote. As the Court has already approved the plan once (a necessary prelude to balloting by security holders) it is considered unlikely in many quarters that it will now reverse itself just on the basis of the adverse vote in some classes.

The vote does not in itself alter the basic question as to whether the plan is fair and equitable, and on this question the court has already ruled affirmatively. If the Court does affirm the plan in the face of adverse balloting in some groups, there is little doubt that the opposition parties will take the whole question to the higher courts to get a final determination of constitutionality of this phase of the Bankruptcy Act. It does appear rather pointless to spend time and money on a vote if the results thereof are not binding in the final solution of the proceedings.

There has been some apprehension over the possibility that International-Great Northern may be excluded from the reorganization even if the plan as a whole is consummated as set up by the ICC. This apprehension arises from the fact that the plan does provide for its consummation without I.-G. N. if, under certain conditions, inclusion of the latter should prove unfeasible or would unduly delay the proceedings. In some quarters it has been contended that the terms of the plan allow the reorganization managers, at their own discretion, to exclude I.-G. N., and that such action is likely. The plan does not give any such powers to the reorganization managers, but does provide that the initiative for exclusion of I.-G. N. shall come from either the I.-G. N. bond holders themselves or from the Court. The Commission report provides for exclusion of I.-G. N., without invalidation of the rest of the plan, if the result of the vote should be unfavorable or if, for any other reason, the Court, upon the final hearing before it, should not approve the plan so far as it deals with the I.-G. N. claims.

On the basis of the vote there would appear to be no more valid reason for excluding International-Great Northern than there is for turning down the whole reorganization. With respect to the possibility of exclusion by the Court, it has been suggested that International's contract with Palestine, Texas, is a bar to its inclusion in the reorganization. Under this contract, which has been upheld by the Supreme Court, it would presumably be necessary to maintain general offices, shops and roundhouses of the entire system at Palestine if I.-G. N. is consolidated with the other properties. This is patently not feasible.

The Court had this potentiality fully in mind in handing down its original decision approving the plan with modifications. One of these modifications provided for the preservation of the corporate identity of International-Great Northern, without, however, preventing I.-G. N. bondholders from participating in the reorganization. They would still receive their full proposed allocation of securities of the new system. The securities of the International-Great Northern would, in turn, all be owned by the new Missouri Pacific system and pledged by it behind one or another of its bond issues. On the basis of these considerations it seems likely that if the Missouri Pacific reorganization as a whole is consummated it will include International-Great Northern. Meanwhile, in relation to what they are to receive in the reorganization, the International-Great Northern 1st Mortgage bonds are selling well behind other system obligations. They should catch up as, and if, the plan as a whole progresses towards consummation.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—40⅜, low—14¾, last—38⅞.

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Bank and Insurance Stocks

This Week — Bank Stocks

Indicated earnings of New York City banks for the first quarter of 1942 are generally lower, despite continued favorable trend in earning assets. The pending tax bill, with its threat of materially higher surtax, caused various banks to set aside larger share of earnings for taxes.

Of the first 22 banks to report as of March 31, 1942, 15 indicated lower profits for the first quarter of 1942 compared to first quarter of 1941; one was even; and six were higher.

For the first quarter of 1942 compared to the preceding fourth quarter of 1941, all but one bank's earnings were lower, but such a comparison of the first with the fourth quarters is not a reliable indicator of true trend of earnings, because of the tendency of fourth quarter earnings, especially of trust companies, to run higher at the year-end.

As a result, ratio of dividends to earnings for the 21 dividend paying banks tabulated below rose to 77% for the 12 months ended March 31, 1942.

The seriousness with which provision for taxes was regarded for the quarter is indicated by the Guaranty Trust Co. experience. This institution's statement as of March 31, 1942, showed the undivided profits unchanged compared to Dec. 31, 1941, thus reflecting, it is understood, decision of the bank to set up increased reserves at this time in anticipation of higher taxes this year. Therefore, Guaranty's excess of profits over dividends, which ran at $288,000 for the first quarter of 1941 and $1,089,000 for the fourth quarter of 1941, was all applied to reserves instead of undivided profits.

For the full year 1941, Guaranty's excess of indicated profits over dividends was $2,524,000; but if we assume roughly that 1942 net after higher taxes would be 25%-30% lower without allowing for earning asset expansion, then this margin would be vulnerable, and this situation would justify the apparently drastic step of ploughly back all the first quarter excess into reserves for taxes.

Of course, mitigating circumstances may develop later in the year to cushion the effect of heavier taxes. For one thing, Congress may enact a lower surtax than 31%; and as the year progresses, heavier holdings of Government securities issuing under the war financing program, as well as loan expansion, would provide additional gross earnings with which to offset higher taxes. If such expansion results in lengthening Guaranty's extremely short-term maturities average (about two years, one month at the close of 1941, excluding Treasury bills), its earnings would then doubly benefit—from expansion in holdings, as well as from increased yield and lower amortization charges as maturities average is lengthened.

Therefore, the effect of higher taxes is both sharp and immediate, but the full year effect may not be as sharp as the first quarter experience would indicate.

Nevertheless, the absence of margin of earnings over dividend for the quarter for Guaranty is a danger signal for the present dividend rate. For, at least two leading banks with better reported earnings coverage of dividend have reduced dividends in the last six months in order to preserve ratio of earnings ploughed back to capital funds, to support mounting volume of earning assets and deposits. Although Guaranty's capital ratios to deposits and earning assets are stronger than average, it too may see these ratios rise substantially over the next 12 months.

However, the current market for Guaranty stock of below 200 would appear adequately to discount possibility of even a 33⅓% dividend reduction. In fact, the general market apparently figures yields generally on dividends hypothetically reduced by 25%-30%, the effect estimated for the proposed increase in surtax.

If it had not been for the increased provision for taxes, the first quarter earnings would probably have continued their moderate improvement of 1941. Commercial loans of reporting member banks in New York City continued to expand sharply; showing a $220,000,000 increase, or nearly all of the $243,000,000 expansion for the quarter in total earning assets. On March 18, 1942, commercial loans reached a new peak in the past decade of $2,804,000,000, a gain of $734,000,000 (35%) over a year ago and a net gain of $1,451,000,000 (107%) over the Feb. 8, 1939, post-1937 deflation low.

The first quarter expansion in commercial loans outran the $109,000,000 relatively small increase in holdings of Government securities, but as the Treasury brings its gigantic war financing program into high gear, earning asset expansion will inevitably largely consist of Governments. In this connection, the current certificates of indebtedness offering and better yields on Treasury bills are indicators of improved short term returns for the banks.

The moderate trend of expansion in Governments since last fall by New York City banks seems to indicate a "marking time" policy on their part—both because of question of availability of reserves and also because of possibly better returns if reserve position became tight at New York. However, early action by the monetary authorities in restoring excess reserves to former high levels and in announcing maturities policy on war financing would probably be the signal for resumption of large-scale expansion in earning assets at New York.

Parenthetically, Bankers Trust Co., which reduced dividend 30% during the quarter, reported well maintained earnings of 61¢ per share for the first quarter, a decline of only 12% compared to first quarter of 1941. Indicated earnings of the 22 banks reporting follow:

INDICATED EARNINGS

	First Quarter 1942	First Quarter 1941	4th Quar. 1941	Twelve Mos. to 3-31-42	Calendar Year 1941	Book Value 3-31-42	Annual Divs.
Bankers Trust	$0.61	$0.69	$0.85	$3.04	$3.12	$44.74	$1.40Q
Bank of N. Y.	3.96	4.29	6.13	19.73	20.05	342.32	14.00Q
Bank of Manhattan	0.30	0.25	0.36	1.24	1.18	23.83	x0.90Q
Brooklyn Trust	1.06	1.09	1.63	5.01	5.04	173.46	4.00SA
Central Hanover	1.11	1.25	2.51	6.17	6.31	93.95	4.00Q
Chase National	0.36	0.41	0.69	1.92	1.96	32.92	1.40SA
Chemical	0.55	0.50	0.73	2.48	2.43	39.68	1.80Q
Commercial National	2.84	3.38	3.56	12.42	12.96	230.76	8.00Q
Continental	0.25	0.25	0.26	1.01	1.01	21.49	0.80Q
Corn Exchange	0.73	0.62	0.83	3.10	2.99	47.41	2.40Q
Operating earnings	0.80				2.15		
Empire Trust	1.11	1.13	1.14	4.53	4.55	88.38	3.00Q
First National	17.69	15.06	30.00	103.21	100.58	1,200.48	80.00Q
Fulton Trust	2.27	3.00	3.34	10.26	10.99	246.96	x8.50Q
Grace National	2.77	2.26	2.16	15.62	15.11	258.03	6.00SA
Guaranty Trust	3.00	3.32	4.21	14.48	14.80	310.52	12.00Q
Irving Trust	0.16	0.17	0.19	0.69	0.70	20.85	0.60Q
Manufacturers Trust	0.91	0.73	1.25	2.79	2.61	37.93	2.00Q
Operating earnings	0.91	0.96	1.00	3.86	3.91		
*National City	0.37	0.42	2.16	3.50	3.55	32.17	1.00SA
Before recoveries			0.55	1.89	1.94		
New York Trust	1.26	1.30	1.46	5.32	5.36	82.15	3.50Q
Public National	0.67	0.80	0.71	3.16	3.29	45.44	x2.00Q
Sterling National	0.23	0.30	4.24	4.92	4.99	67.17	—
U. S. Trust	15.26	15.25	26.28	72.12	72.11	1,545.41	x70.00Q

x Includes extra. *Including City Bank Farmers Trust Co.

Central-Penn National Bank
Corn Exchange Nat'l Bk. & Tr. Co.
Fidelity-Phila. Trust Co.
Girard Trust Co.
Penna. Co. for Ins. on Lives etc.
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Phila. Phone Locust 1477
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Dealer Holds Exchanges Would Benefit From Split Commission Arrangement

Editor, Commercial & Financial Chronicle, New York.

Dear Sir:

I read with much interest the article by Mr. O. W. Stephens in your March 12 issue relative to split commissions on the New York Stock Exchange and in fact on all exchanges. The following paragraphs are taken from a letter which I wrote May 21, 1941 to Mr. Emil Schram who was to become President of the New York Stock Exchange. They are as follows:

"With your permission, I beg to call to your attention a matter on which I have given considerable thought during the past five or six years, and on which, no doubt, the present Board of Governors as well as the President of the New York Stock Exchange have also given considerable thought and probably are working on it at present but I have no means of knowing this for sure. During the past eight years, I have spent two years with an investment dealer, two years with a member of the San Francisco Stock Exchange, three years with a member of the New York Stock Exchange and this past year with a dealer who does not hold a membership in any exchange.

"For many years preceding that, I was in the merchandising business and it has struck me that the members of the New York Stock Exchange and other exchanges fail to realize that if the differential in commission rates available to dealers as well as banks was attractive, the New York Stock Exchange would have 35,000 salesmen selling their listed stocks for them instead of the present 3,500. I arrive at this conclusion in the following manner. If a customer wishes to purchase 100 shares of stock here in San Francisco on which the commission is $20.00 per 100 shares, and it is sold to him by a member of the New York Stock Exchange, that commission is naturally credited to the salesman's gross. If the customer purchases it from a member of the National Association of Securities Dealers who does not hold a membership in any exchange, he is still charged the same $20.00 per 100 shares (the regular commission) and the salesman for the dealer makes nothing towards his gross profit unless a service charge or such is added.

"As there are many more dealers than there are members of Stock Exchanges, it is not hard to see that the dealers' salesmen are much more numerous than the salesmen for the various exchange commission houses and it naturally follows that the dealers' salesmen will sell stocks which are not listed and on which they can make a reasonable commission in preference to those stocks listed on the various exchanges on which they can make nothing. . . .

"There is no doubt in my mind that serious consideration has or is being given to the question of raising commission rates on all Exchanges. If any such raise takes place, it is my suggestion that if a member of the National Association of Security Dealers gives an order to a member of the New York Stock Exchange that he (the dealer) be allowed a differential large enough to give him an incentive to sell those stocks which are listed. If a salesman could make $12.50 on a 100 share order on which the charge to the client is $25.00, it naturally follows that the 35,000 salesmen will get many more orders than 3,500 and therefore the volume on the NYSE is automatically increased.

"After all, volume, as I understand it, is what a stock exchange thrives on and I certainly feel that all consideration should be given to increasing this volume even though it might necessitate a raise in commission rates. Personally, I do not feel that a raise in commission rates to the general public will cause any decrease in the amount of business done by the Exchange. If there was a sufficient monetary incentive (differential in rates) for all of the salesmen who sell unlisted stocks at present, your NYSE would enjoy considerable more business than they do now."

I do not wish to enter into a controversy with either Mr. Stephens or anyone else in the business but I thought my views might be of interest to those of us who are still trying to make a gross profit and have the various exchanges in the country to compete with.

Very truly yours,

BELDEN S. GARDNER,

Hannaford & Talbot, (San Francisco).

William Hixon Dies

William L. Hixon, partner in the Chicago Stock Exchange firm of Hixon, Stewart & King, 120 South La Salle Street, Chicago, Ill., died recently of heart disease.

RR. Issue Attractive

An interesting analysis of prior lien 6s of 1948 of the Alabama, Tennessee and Northern Railroad Corporation has just been issued by Blair F. Claybaugh Co., 72 Wall Street, New York City, members of the Philadelphia Stock Exchange. The analysis includes a chart showing how the new securities to be issued under the plan of reorganization will be allotted to present security holders of the road. Copies of the analysis, which indicates interesting possibilities for the prior lien 6s of 1948, may be had from Blair S. Claybaugh Co. upon request.

La. Highways Attractive

An interesting analysis of Louisiana Highway Bonds has been compiled by Hyams, Glas & Carothers, Whitney Building, New Orleans, La. Included are comparative tables of coupon rate, serial maturities, amounts outstanding, and a consolidated statement showing service requirements on all outstanding bonds payable primarily from gasoline taxes, as well as a table of Louisiana Highway Commission collections directly applicable to these bonds. Copies of this analysis may be obtained from Hyams, Glas & Carothers upon request.

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TOTAL ASSETS
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Glyn Mills & Co.

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Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
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Aggregate Assets 30th Sept., 1941 .... £150,939,354
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Accused In Fraud

Archie H. Carpenter, Tyler, Texas; Reed V. Bontecou; Charles D. Scheetz; Stephen H. Scheetz, and James D. Williamson have been indicted by a Federal grand jury on charges of having defrauded residents of Albany, N. Y., Newburgh, N. Y. and parts of New Jersey of more than $200,000. The group, according to Jerome H. Doran, Assistant United States Attorney, sold royalties on the basis of false claims that their wells were producing oil; some of the wells drilled at Centralia Lake, Indiana by Carpenter, were on property belonging to the Texas Company, which had an injunction issued against him. Carpenter has already pleaded guilty to a mail fraud in another case.

Truslow To Lecture On Outlook For Exchanges

"The Outlook for the Stock Exchanges" will be discussed by Francis Adams Truslow at the New School for Social Research on Tuesday, April 14 at 8:20 p.m. Mr. Truslow, who is general counsel of the New York Curb Exchange, is guest lecturer in the weekly symposium, The World of Finance in Wartime, of which A. Wilfred May and Rudolph L. Weissman are chairmen.

Danforth Field With Distributors Group

SAN FRANCISCO, CALIF.—Distributors Group, Inc., announces the appointment of Danforth Field as representative on the Pacific Coast. He will have offices at 315 Montgomery St. Mr. Field has been conducting his own business in San Francisco under the name of Danforth Field Co. In the past he represented F. S. Moseley & Co. and was in charge of the local office of Hartley Rogers & Co.

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The Securities Salesman's Corner

"DO SOMETHING DIFFERENT"

One of the most difficult accomplishments is to step out of the crowd. Yet it is oftentimes an advantage to any salesman if he can do or say something that will make him just a bit different from the other fellow. We once knew a Fifth Avenue photographer who contacted a number of prospective customers for commercial photographs. One day he decided to grow a beard. Despite the joshing of some of his friends he claims that his business has improved materially ever since he's carried the bush around on his chin. He says that people now remember him whereas he was formerly just another photographer who wanted to take some pictures.

Although we wouldn't recommend that bond salesmen might emulate the Smith Brothers in order to do some business in these days and times—such a drastic step might help some. At least, it might be as helpful as the recent suggestion of Mr. Purcell at the New York Security Dealers' dinner when he suggested that those engaged in the securities business should cut down their expenses. No doubt the Chairman of the SEC made this suggestion in all good faith but he doesn't seem to realize that the only things that are left, that have not already been cut out in most firms, are possibly the 10-cent lunches of the partners and the expense of buying razor blades on the part of male employes. Think of it, the entire securities business running around behind beards. Give us 10 more years and we could challenge old "Rip Van Winkle." Didn't he sleep for 20?

There are many ways, however, that can be used in order to make people remember you and they can be sound and practical aids in doing business. For instance, we once knew a firm that made a specialty of selling the idea to its clients that they specialized in certain securities. Their slogan was, "We specialize, we do not generalize." Their argument was that it was impossible for anyone to cover the entire investment market and do it thoroughly. They stressed the idea that their clients would be kept fully advised regarding the companies in which they were interested at all times. Their salesmen would say something like this to their clients: Mr. Doe, the most important thing in buying any security is to see to it that it remains a strong investment **after** you have bought it. When we go into a situation we make certain that our contact with the management of the company who's stock or bonds we choose to recommend to our clients is very close and one where we can go back at frequent intervals and check the progress that is being made. If trouble is appearing ahead, in most cases, we would know about it and advise our clients accordingly. This service is invaluable to our clients. You know from experience how important it is to keep in touch with the developments behind your securities that may affect their values. We do this for you. By specializing in a limited number of issues our clients receive the benefit of this additional service. Not only can you be assured of a thorough check-up on our part before you purchase any of our recommendations but you also receive this additional and continuing interest after you have put them away in your lock box." This firm actually lived up to this promise. The practical application of such a plan of operation is fundamentally sound—both from a sales standpoint as well as the investment angle. This is just one example of stepping out of the crowd. A salesman can find many ways that can be used to help him in making himself remembered when his clients and prospects think of their investments. None, however, will ever outweigh sincerity of purpose and a conscientious interest in the welfare of his clients. Anything that is said or done that is based upon these two primary considerations will eventually make itself a worthwhile aid in doing more and better business. In other words, "Do Something Different," but also let it be practical and always with the interest of your clients behind it.

Our Reporter's Report

(Continued from first page)

the outcome of careful scrutiny of the price situation.

In market circles it was pointed out that 3% thirty-year utility bonds of the calibre of the issue in question are selling currently to return an indicated yield ranging from 2.80 to 2.75%.

To return the higher yield a bond would have to sell around 104 while to yield 2.75% the price would run around 105.

Meanwhile the arrangements between the company and the insurance firms called for delivery of the issue at a price of par. Evidently the company calculated it could do better on the auction block.

The Block Shows "Red"

Railroad financing, through the medium of equipment trust certificates, which had been moving along in liberal volume and appeared destined to hold the pace for some time, ran up against the "stop" signal.

The War Production Board's order, freezing delivery of new locomotives and cars, threw the monkey-wrench into the machinery and knocked the plans of two roads, which were well along with such financing, into cocked-hats.

Missouri Pacific was actually in receipt of bids for its $4,550,000 offering and set them aside. Meanwhile, the Louisville & Nashville which was due to open bids for $11,000,000 of one to ten-year certificates today, informed bankers which it had already contacted, of its decision to cancel the offering, due to uncertainty of being able to procure the equipment involved.

Cleveland Sells Bonds

So it develops now as though the only major offering likely to reach market this week will be the $17,500,000 bonds of the City of Cleveland, O., on which bids are due today.

Other offerings in the municipal field are relatively small and few in number, the next largest being an issue of $2,989,500 of one to twenty-year bonds of Minneapolis on which bids likewise are due today.

With the general municipal market having shown good recuperative powers since the fading of the threat of Federal taxation, it was the concensus that these issues would bring out plenty of competition on the part of bankers.

Business Ahead

Should plans now in contemplation materialize the current month should prove productive of the best volume of corporate business in some time.

It is calculated that upward of $180,000,000 of business, stocks and bonds combined is in sight unless something develops to cause postponement.

The biggest issue in prospect is that of the American Tobacco Company which is expected to run to $100,000,000 in debentures. Filing is believed imminent.

Philip Morris Ltd. Inc., is reported preparing to seek new money, probably in the amount of $10,000,000, to be raised largely through a further issue of convertible preferred stock.

The Celanese Corporation's $7,552,000 issue of debentures, held up because of consideration of the restrained position of British stockholders, could come at any time.

And meanwhile, the Aluminum Company of America, has called a special meeting of stockholders to act on a proposal to lift indebtedness to $150,000,000, which would indicate early plans for raising of funds in large volume for expansion purposes.

Payment On San Paulo 7s

Schroder Trust Co., New York City, as special agent, is notifying holders of State of San Paulo (United States of Brazil) 7% secured sinking fund gold dollar bonds coffee realization loan 1930, that it has received funds to pay immediately, 50% of the face amount of the coupons due Oct. 1, 1940, amounting to $17.50 for each $35 coupon and $8.75 for each $17.50 coupon. Payment will be made in accordance with provisions of Presidential Decree No. 23829 of Feb. 5, 1934, of the United States of Brazil, as modified by Decree Law No. 2085 of March 8, 1940. It is further announced:

> The acceptance of these payments is optional with the holders, but pursuant to the terms of the Decree, payment, if accepted, must be for full payment of the coupons and of claims for interest represented thereby.
>
> Holders of the Oct. 1, 1940 coupons may obtain payment of the amounts prescribed upon presentation and surrender of the coupons for final cancellation at the office of the special agent, 48 Wall Street, New York.
>
> While the maturity date stated in the bonds is Oct. 1, 1940, Decree Law 2085 provides for payment of interest at the above rate and for certain amortization during the four year period ending March 31, 1944.

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Investment Trusts

When 36 out of a group of 38 stocks outperform the Dow-Jones Industrials, it's a group that all investors ought to look into.

That's the record of investment trusts for the year to date, according to a compilation in The New York "Letter" of April 1, 1942.

The period covered is from Dec. 31, 1941, to March 26, 1942. According to the study, the Dow-Jones Industrial Average declined from 110.96 to 101.05 during this period—approximately 9.0% without adjusting for dividends. The investor would have obtained better results in practically any mutual investment fund!

In a table showing the performance of 38 mutual type funds of various kinds—investment counsel, leverage, specialized, etc.—with figures based on offering prices unadjusted for dividends, The New York "Letter" points out that only two trusts fell below the averages and says:

"Despite handicaps of brokerage commissions and expenses 36 of 38 performed better than the 'market averages' so difficult for the investor to equal alone.

"But four of the 38 actually showed **gains** in this declining market." (Of the four investment funds showing gains, two—Fundamental Investors, Inc., with the largest percentage gain, and Investors Fund "C"—are sponsored by Hugh W. Long & Co., publishers of The New York "Letter," it is stated.)

In connection with this performance record, it is justifiable to point out once more that in a group of diversified stocks such as those used in compiling the "averages," only approximately one out of three stocks, by actual count, customarily performs as well as the "averages" themselves. Thus an investor who does as well as the "averages" does better than two out of three of the stocks in the "averages." When he does better than the averages he is certainly to be congratulated.

* * *

Investment Company Briefs

Recent Dividend Announcements

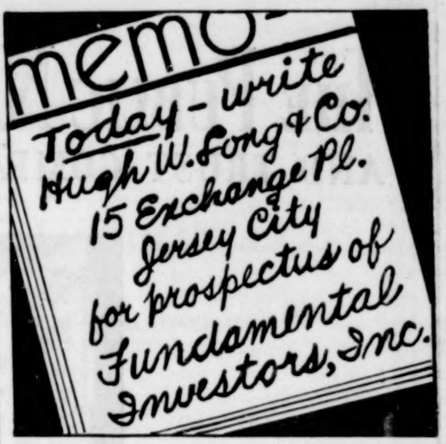
Fund—	Dividend per Share	Date Payable
First Mutual Trust Fund	0.06	4-15-42
Fundamental Invest., Inc.	0.20	4-15-42
Incorporated Investors	0.17	4-30-42
Massach. Investors Trust	0.18	4-20-42
National Securities Series:		
Bond series	0.11	4-15-42
Low-priced bond ser.	0.10	4-15-42
Pref. stock series	0.13	4-15-42
Income series	0.08	4-15-42
Low-priced com. stk. ser.	0.02	4-15-42

* * *

In a comprehensive discussion of migratory labor, particularly as it is affected by the defense effort, Lord, Abbett's "Background" for March, 1942, answers a question many of us have been asking:

"Currently, the toy maker, the insurance agent, the security salesman and the one-man gasoline station operator, as well as hundreds of other disemployed white collar workers, are wondering if they, too, should take to the open road in quest of defense jobs.

"The answer, in the general run of cases, is No. The experience record indicates that it is better for the unskilled man to remain in the friendly surroundings of his home town; to examine his mechanical and other potential war-production skills as best he may—possibly a hobby may provide a clue; arrange to obtain some intensified training, and then seek an essential war time job. Government agencies will help to fit the adaptable worker to an essential task.



"If he has had some training, and a little practical experience, he may find that the road to the new life, is a road to rapid promotion. The demand for skilled men is insatiable; for example, in the aircraft manufacturing center of Los Angeles, it is said that all a man in overalls and carrying a kit of tools has to do to receive a bid is to walk down the street—he will get at least one good-paying job offer before he can walk a complete block. But if he lacks a skilled trade or craft, he is no better off than the 'Okies' and the 'Arkies.' Better to remain at home, or not far from it. That rule, it might be added, applies generally in the existing process of completely overhauling our production machinery."

* * *

The dollar volume of Dividend Shares purchased by investors in March, 1942, was more than twice the total for March, 1941, it was reported in Calvin Bullock's "Bulletin." "This increase, impressive by itself," says "Bulletin," "is particularly noteworthy in view of the fact that the volume of transactions on the New York Stock Exchange, on a shares-traded basis, was more than 15% lower in March, 1942, than in March, 1941. On a dollar volume basis, the percentage decline would be materially greater."

* * *

Clarence J. Reese, President of Continental Motors Corporation, has been elected to the Board of Directors of Manhattan Bond Fund, Inc., and New York Stocks, Inc., both of which are sponsored by Hugh W. Long & Co. Commenting upon the election, The New York "Letter" said: "Since the passage by Congress of the Investment Company Act of 1940, there has been an increasing tendency noted among the larger investment trust units to augment their directorates by including men prominent in industry. This

(Continued on page 1433)

Municipal News & Notes

For the past several years, literally reams of publicity have been given to the question of removing the tax exempt feature of State and local governmental securities. Since Secretary Morgenthau made his radical proposal early this year to tax outstanding, as well as future issues, the matter has been debated *ad nauseum*. It is only because of the expression of a refreshing viewpoint that we renew the topic in these columns.

David M. Wood, widely-known New York municipal bond attorney, recently told the American Bar Association that a "smoke screen" of slogans designed to arouse class conflicts and appeal to the emotions of the masses had obscured the fundamentals.

In opposing the Federal government on this issue, he said, it is not conceivable that the states are actuated merely by a desire to protect wealthy investors. Nor are the states indifferent to the problems of the Federal government in financing the war, he added.

Actually, according to Mr. Wood, the states are fighting to preserve the American system of government against an alien philosophy in sharp conflict with that system.

The issue is whether the state exists for the benefit of the individual or the individual exists for the benefit of the state, he contended.

Voters Defeated Tax Levies in 1941; Approved Bonds

American voters rejected two out of every three city tax-levy measures on 1941 ballots, Census Bureau's study discloses.

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1ST NAT BANK BLDG CHICAGO ILLINOIS

There was less aversion to borrowing, the survey found; 78% of proposed bond issues were approved, interest being centered particularly on airports for national defense, on streets, and on sewer improvements.

City voters approved issuance of bonds in the aggregate amount of $32,060,000. Total amount of bonds issues submitted was $49,363,000. The 18 southern cities voting on bond issues accounted for over half, or $25,397,000; the eight Texas cities voting on bond issues were alone responsible for more than a third.

State Treasuries to Feel War's Impact

The average State Treasurer feels today as if he were on the brink of something or other.

Some revenues are dropping, others are rising. Expenses are soaring in some respects, falling off in others. He doesn't know whether his next step will lead to triumph or disaster.

At present he is standing knee-deep in clover. Nearly all the States have just finished two highly prosperous years. Some have taken in more money than ever before. Many of them in two years have worked their way out of debt.

But some very dark clouds are on the horizon.

Some State officers are worried about some day not being able to pay interest and principal on State highway bonds. But as only about one-sixth of the highway receipts go for this purpose, experts say the average State won't have any such difficulty for a year or two at least.

There are exceptions. Arkansas, Missouri and West Virginia, for instance, use from one-third to one-half of their highway revenues toward paying off highway obligations. And a number of States use the highway funds for non-highway purposes, the average here also being about one-sixth of the total amount. But for a State like Florida, which collected 45% of the 1939 State revenue from highway users, that problem is serious.

Pennsylvania Reapportions Seats in Congress

Governor James' approval of a Congressional reapportionment bill in Pennsylvania completes first action by a State this year to redistrict representation in Congress, the Council of State Governments said recently.

Pennsylvania had to eliminate one Congressional district following the 1940 census, which showed the State was no longer entitled to its previous number of 34 representatives.

Sixteen States had to make changes adding or subtracting one or more seats in the U. S. House of Representatives following the population shifts revealed by the late census. The method of allocating house seats to the States by "equal proportions," which was voted by Congress Nov 15, 1941, gave three more seats to California and one more seat each to six States—Arizona, Florida, New Mexico, North Carolina, Oregon and Tennessee. One seat each was lost by Illinois, Indiana, Iowa, Kansas, Massachusetts, Nebraska, Ohio, Oklahoma and Pennsylvania.

The States which took necessary legal action on redistricting in 1941 were California, Indiana, Iowa, Kansas, Massachusetts, Nebraska Oregon and Tennessee. Proposals in Ohio, Oklahoma and Illinois, in addition to those in Pennsylvania, failed in 1941 legislative sessions and have not been reconsidered.

Apportionment in the U. S. House of Representatives, whose membership is frozen at 435, is governed by the population in the districts of the States. Following each census, a report is made on the reapportionment due. If a State which gains a representative fails to redistrict before the next Congressional election, it may elect the extra member at large. States losing a Congressional seat, if they already have one or more representatives-at-large, may eliminate a Representative.

If Pennsylvania had not redistricted in its 1942 special session its entire delegation of 33 members would have to be elected at large.

Opinions Differ on Future Trend of Municipals

While the general feeling in municipal bond circles is that Congress will reject proposals for taxing income from State and local government securities, there is a considerable difference of opinion among experts as to the nature and extent of the recovery that might be expected to follow such a rejection. Some take the view that municipal bonds as a class would almost certainly reflect substantial net gains with removal of the taxation threat; others hold that the recovery would be more or less of a half-hearted affair.

Those taking the latter stand emphasize that rejection of taxation proposals this year, however bullish it might appear on the surface, would not mean that Treasury plans for reaching income from such issues had been killed for all time. It is argued that the threat undoubtedly would be renewed in 1943.

At the same time, sight is not lost of the fact that hardening tendencies in money rates since entry of the United States into a two-front shooting war with the Axis powers naturally militates heavily against possibilities that prices of municipal bonds in general will again duplicate the highs obtaining prior to the Pearl Harbor attack.

Wartime Policies in Municipal Finance

The following general wartime policies were recently recommended to municipalities, administrators, and legislators, by the Municipal Finance Officers' Association:

1. Complete harmony is necessary in the fiscal plans of the Federal, State and local governments. The national Government must necessarily, in a crisis, control all elements of national fiscal policy.

2. The above statement does not mean that State and local governments should step aside and do nothing. On the contrary, the interests of the national Government will be served best if each State and each local government will carry on those tasks which traditionally belong to it. Matters of national import alone will then be the responsibility of Federal officials.

3. Municipalities must avoid competition with the national Government for the manpower and materials needed for the war program.

4. All non-defense public works of municipalities should be postponed unless they are vital to the preservation of life and health or the extension of war industries or facilities.

5. Municipalities should cooperate with the State and national governments in developing plans for post-war construction of public improvements.

6. The States which have received unexpected revenues and have large treasury surpluses should consider the use of these funds to relieve local taxation, finance State and local expenditures of an emergency nature caused by the war, to establish reserves for post-war public works, or to cushion a decline in future revenues.

7. The Federal Government should finance in full all activities related solely to the national war effort. Subsidies, direct or indirect, should not be required from local communities for war facilities. Local governments should likewise refrain from asking Federal aid in purely local matters.

8. Municipalities should have legislative authority adequate to carry out the special requirements of a war emergency program as well as the post-war problems. This would include specific statutory authority to receive and disburse Federal grants for war purposes.

9. All governmental units in a given geographical area, and all departments and agencies of all governments in a given area or municipality must work together on financial and protective measures. This is no time for individual agencies or departments to make special pleas for their own special interests.

10. The rising costs of materials, supplies, labor and equipment and the scarcity of these things should be anticipated as far as possible both in the planning of a budget and in the actual procurement of goods.

11. As new agencies are created at the local government level to carry on defense or war activities, the existing financial organization of local government should be used. Public or semi-public funds should be handled through recognized local government agencies. Local finance officers, properly accredited, may in some cases serve as direct representatives of State and national agencies.

12. Time is an important element in the war program. Things that are known to be needed should be done at once.

Southern Governors to Tackle Problems

Priorities, freight rates, effect of tire and auto rationing on gasoline tax revenue, and war problems in general will occupy the Southern Governors' Conference at its session to be held in Hot Springs on April 19 to 21, it was stated by Governor Adkins of Arkansas.

Arkansas Road Bond Position Declared Good

Frank A. Storey, Jr., State Refunding Supervisor, last week painted an optimistic picture for the holders of Arkansas' $136,000,000 highway refunding bonds, despite the threat of a reduction in revenues dedicated to highway debt service.

In his report to Governor Adkins, it was declared by Mr. Storey that bondholders were "in a very favorable position" although revenue "will be reduced in the future because of the tire rationing and automobile curtailment program." The report covered the first year of operations under the 1941 refunding act.

Highway revenues grossed $17,652,812.95 for the 12 months ending March 31, 1942—or $2,582,438.67 more than the revenue for the preceding 12 months, Storey reported.

The supervisor asserted that the future revenues would have to be reduced as much as 50% of last

THE PUBLIC NATIONAL BANK
AND TRUST COMPANY OF NEW YORK

Main Office 37 Broad St.

CONDENSED STATEMENT
OF CONDITION

at the close of business, March 31, 1942

RESOURCES

Cash and Due from Banks	$56,346,053.84
U. S. Government Obligations	51,351,578.77
State, Municipal and Corporate Bonds	10,093,462.47
Loans and Discounts	87,518,975.63
Customers' Liability under Acceptances	332,214.59
Banking Houses	2,182,953.69
Other Real Estate Owned	110,143.66
Federal Reserve Bank Stock	420,000.00
Accrued Interest Receivable	419,908.34
Other Assets	59,950.16
TOTAL	$208,835,241.15

LIABILITIES

Capital	$7,000,000.00	
Surplus	7,000,000.00	
Undivided Profits	4,176,953.25	$18,176,953.25
Dividend Payable April 1, 1942		150,000.00
Unearned Discount		444,772.26
Reserved for Interest, Taxes, Contingencies		1,665,773.55
Acceptances Outstanding	$1,813,550.30	
Less: Own in Portfolio	1,266,897.07	546,653.23
Other Liabilities		112,227.28
Deposits		187,738,861.58
TOTAL		$208,835,241.15

Securities with a book value of $17,324,503.00 in the above statement are pledged to secure public and trust deposits and for other purposes required or permitted by law.

MEMBER: N. Y. CLEARING HOUSE ASSOCIATION • FEDERAL RESERVE SYSTEM
FEDERAL DEPOSIT INSURANCE CORPORATION

30 Offices Located Throughout Greater New York

year's collections before the state would have to dip into a special reserve fund, already set up, to pay debt service obligations. He emphasized that even this would not be necessary until April 1, 1950, in the event a 50% drop in revenues occurred.

Iowa Counties Sell Bonds

In the closing week of last month, ten Iowa counties concluded separate sales of primary road refunding bonds which totaled $3,811,000. Interest rates varied from ½ to 1%, with a total premium of $15,691. This financing enabled a saving of $156,905 in interest costs, as the refunding issues have a total interest cost of $96,265, against $253,170 for the original issues.

Washington Utility District Offering Forecast

Whatcom County, Wash., Public Utility District No. 1, will shortly advertise for sealed bids on $5,875,000 electric revenue bonds, the proceeds of which will be used for acquisition of the Puget Sound Power & Light Co. properties.

Cleveland Transit Bonds Up for Award

At high noon today the City of Cleveland will consider bids on $17,500,000 transit system revenue bonds, the largest municipal sale since way back when. These are strictly revenue obligations, not general city bonds, therefore they are not in the category of the Detroit refundings sold early last week, which demonstrated the improved tone of the municipal market.

The Cleveland bonds are unusual in that they will be issued to provide funds for purchasing the properties of the Cleveland Railway Company, and for extensions improvements and betterments to the system.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

April 9th (Today)

$17,500,000 Cleveland, Ohio

This is an offering of transportation system revenue bonds. The city sold sewage disposal bonds on March 26 to a syndicate headed by the Northern Trust Co. of Chicago. Second best bid submitted by Blyth & Co., Inc., and associates.

$2,989,500 Minneapolis, Minn.

Phelps, Fenn & Co. of New York headed the syndicate which obtained the award of the bonds offered last December. Numerous other bids were submitted for the two portions of bonds offered on the same date.

April 11th

$638,974 Manatee Co., Fla.

We do not find any recent bond sales for this county.

April 13th

$493,000 Ramsey Co., Minn.

This offering is included here because it is just below the required minimum; also, this call for bids attracted wide attention. The county awarded bonds last July to a syndicate headed by the First National Bank of Chicago. Second best bid by Kalman & Co. of St. Paul, and associates.

April 14th

$1,000,000 West Va., State of

A similar issue of road bonds was awarded on Jan. 27 to Phelphs, Fenn & Co. of New York, and A. E. Masten & Co. of Pittsburgh, jointly. The Charleston National Bank of Charleston, submitted the second highest of numerous other bids.

April 15th

$750,000 Miami, Fla. (hospital revenue)

Syndicate headed by Halsey, Stuart & Co., Inc., obtained the award of the bonds offered in March, 1941. There were several other bids submitted for these water revenue bonds.

April 16th

$700,000 Maine (State of)

Last July the State awarded an issue to Blyth & Co., Inc., and C. F. Childs & Co., both of New York, jointly. The First Boston Corp. was the runner-up in the bidding.

SEC Applications For Broker Dealer Registry

The following applications have been made with the Securities and Exchange Commission for registration as brokers and dealers on the dates indicated:

March 2, 1942—Gilbert S. Johnson & Son, 611 City Bank Building, Shreveport, La., Gilbert S. Johnson, Jr., sole proprietor; George F. Stanfill, 1750 N St., N. W., Washington, D. C., a sole proprietorship.

March 4, 1942—Texas Exchange, 415 Melba St., Dallas, Texas, George Robert Cooper, sole proprietor.

March 5, 1942—David Bennett Company, 70 Pine St., New York City, David V. Bennett, sole proprietor.

March 6, 1942—Albert Wharton, 803 Dubuque Building, Dubuque, Iowa, a sole proprietorship.

March 7, 1942—Owen H. Cafferkey, 806 Ratcliffe Avenue, Shreveport, La., a sole proprietorship; Francis Alvin Fuller, 1403 Commercial National Bank Building, Shreveport, La., a sole proprietorship; Arthur Craig Gayle, 402 Giddens-Lane Building, Shreveport, La., a sole proprietorship; Ed Gibbons, 408 Cotton St., Shreveport, La., a sole proprietorship; Harry B. Hickman, 1130 St. Vincent St., Shreveport, La., a sole proprietorship; Bert Kouns, 1403 Commercial National Bank Building, Shreveport, La., a sole proprietorship; Roger Lawson, 311 Robinson Place, Shreveport, La., a sole proprietorship; John Francis Magale, 1315 Commercial National Bank Building, Shreveport, La., a sole proprietorship; D. C. Richardson, Jr., 426 Giddens-Lane Building, Shreveport, La., a sole proprietorship; Byron H. Schaff, 409 Ardis Building, Shreveport, La., a sole proprietorship; John P. Scott, 1101 Dalzell St., Shreveport, La., a sole proprietorship; Winfield S. Smith, 510½ Market St., Shreveport, La., a sole proprietorship; J. F. Van Cleve, 412 Ricou-Brewster Building, Shreveport, La., a sole proprietorship; Albert Reid Wherritt, 1305 Commercial National Bank Building, Shreveport, La., a sole proprietorship; A. L. Willis, Sr., P. O. Box 471, Texarkana, Texas, a sole proprietorship; Nat Wissman, 737 Cecile Place, Shreveport, La., a sole proprietorship.

March 9, 1942—Alison & Co., 244 Buhl Building, Detroit, Mich., N. B. Higbie, Jr., Warren A. Wood, and John F. O'Hara, partners, interest of the estate of Denis J. Alison having been withdrawn.

March 10, 1942—Walter B. Beniar, 54 Riverside Drive, New York, N. Y., a sole proprietorship.

March 11, 1942—Weston & Co., 10 Post Office Square, Boston, Mass., Wendell Maro Weston, sole proprietor, Alex. E. Ulmann having withdrawn as a limited partner in the firm.

March 13, 1942—John Albert Jenkins, 431 South Main St., Wichita, Kans., a sole proprietorship.

Now Duryea & Co., Inc.

CHICAGO, ILL. — Duryea & Company, Inc., 135 South La Salle Street, has succeeded the investment business of Taylor, Duryea & Co., Inc. Officers of the new organization are Leslie N. Duryea, President; Herman Veneklasen and Lester H. Holt, Vice-Presidents. Mr. Duryea and Mr. Veneklasen were officers of the predecessor firm. Mr. Holt was with Brown. Bennett & Johnson, Inc. and R. H. Smart & Co.; in the past he was an officer of Kitchen, Holt & Co.

April 28

$3,500,000 Allegheny Co., Pa.

Lazard Freres & Co. of New York, headed the successful syndicate in April, 1941. Next best bid was entered by Harriman Ripley & Co., Inc., of New York, and associates.

(Ed. Note: It also was reported that county officials will offer at the same time $3,300,000 of uncollected tax bonds, details of which have not been announced.)

Investment Trusts

(Continued from page 1431)

course, it is believed, has been well justified especially since the advent of our war economy with its shifting industrial influences and the consequent effects on the planning of investment policies."

* * *

Massachusetts Distributors' "Brevits" carried an interesting Stock Market comment in its April 4 issue in one of its now well-known discussions of "The Situation." Said "Brevits": "With the coming of the spring thaws, the zero hour for large scale military operations in Europe again draws near. In the spring of 1940 the market was caught unawares by the surprising German Blitzkrieg conquest of Holland, Belgium and France. Reflecting this shock, the Dow-Jones Average of 30 Industrial stocks declined from 151 to 112 between early April and mid-June. In the spring of 1941 the market was better prepared for the successful Axis campaign in the Balkans and Greece, but prices declined somewhat nevertheless. From a 124 level in the first week of April this index declined to 115 by early summer. This year the market has already had to contend with adverse war news from the new "Pacific Front." And as the spring campaign in Europe has been so widely anticipated, its commencement will hardly come as a surprise.

"It is anyone's guess as to what the market will do in the period immediately ahead, but there would appear to be some significance in the fact that compared with a level of 151 in 1940 and a level of 124 in 1941 just prior to the spring campaigns of those years, the Dow-Jones Industrial Average now stands at about 100. Also, the present level is substantially under the **lows** established in the summers of 1940 and 1941 when the Axis campaigns had resulted in clear cut victories. Thus, there would appear to be valid grounds for believing that the present market level more fully reflects anticipation of the worst than hopes for the best."

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

It is proposed that Rodney W. Williams act as alternate on the floor of the Exchange for Page Chapman, Jr., which will be considered by the Exchange on April 16. Mr. Chapman is a general partner and Mr. Williams a special partner in Tucker, Anthony & Co., New York City. Mr. Williams will become both a general and special partner in the firm.

William Fahnestock, Jr., has been proposed as alternate on the floor of the Exchange for Sherburn M. Becker, Jr., which will be considered by the Exchange on April 16. Both are partners in Fahnestock & Co., New York City.

Russell W. McDermott retired from partnership in David A. Noyes & Co., Chicago, on March 27. Mr. McDermott made his headquarters at the firm's Indianapolis office.

W. L. Campbell, Seattle, Talbot Kendall, Oakland, general partners, and A. L. Wetmore, special partner, withdrew from partnership in Dean Witter & Co., San Francisco, on March 31.

Van Loo With Straus

(Special to The Financial Chronicle)

MUSKEGON, MICH. — William Henry Van Loo has become associated with Straus Securities Co., Federal Square Building, Grand Rapids, Mich. Mr. Van Loo was formerly an officer of King, Wulf & Co. and prior thereto was Muskegon manager for Securities Investment Corp.

Am.-La France-Foamite Income Notes Attractive

Suplee, Yeatman & Company, Inc., 220 South Sixteenth Street, are calilng attention to the 5½% Convertible Income Notes, due 1956, of American-La France-Foamite Corporation, which they believe offers a particularly attractive situation at this time.

American-La France-Foamite is the largest company of its kind in the world and is playing a major part in the defense program against fires and subsequent disasters by putting all of its production into the country's war effort, building fire protection equipment for all branches of our armed forces, municipalities and industrial plants in the vital defense areas of the nation.

Production has passed beyond the highest peak in the history of the company, according to Suplee, Yeatman & Co., and is still being expanded to meet increasing demands; in addition to providing a sinking fund of $257,540 in cash or its equivalent from 1941 earnings, the company earned $8.44 per share on its common stock, after setting aside a contingency reserve of $250,000 (earnings before this reserve would have amounted to $11.81 per share).

Ga.-Fla. RR. Shows Profit

B. S. Lichtenstein, 99 Wall St., New York City, advises that Georgia and Florida Railroad, upon which he recently issued a memorandum, showed net earnings of $21,481 for January and February, 1942. This follows four consecutive years of deficits for the same period. The last time a profit was shown for January and February was in 1937, when net amounted to $8,940.

Business Established 1818

BROWN BROTHERS HARRIMAN & CO.

PRIVATE BANKERS

NEW YORK BOSTON PHILADELPHIA

Statement of Condition, March 31, 1942

ASSETS

CASH ON HAND AND DUE FROM BANKS		$ 40,651,165.84
UNITED STATES GOVERNMENT SECURITIES *Valued at Cost or Market whichever Lower*		56,418,797.19
CALL LOANS AND ACCEPTANCES OF OTHER BANKS		7,784,265.07
SECURITIES CALLED OR MATURING WITHIN 1 YEAR *Valued at Cost or Market whichever Lower*		3,566,269.96
LOANS AND ADVANCES		30,325,602.47
MARKETABLE BONDS AND STOCKS *Valued at Cost or Market whichever Lower*		13,545,844.80
CUSTOMERS' LIABILITY ON ACCEPTANCES		9,432,768.14
OTHER ASSETS		295,072.52
		$162,019,785.99

LIABILITIES

DEPOSITS—DEMAND	$134,009,970.75	
DEPOSITS—TIME	3,452,715.29	$137,462,686.04
ACCEPTANCES	$ 10,234,404.61	
LESS OWN ACCEPTANCES HELD IN PORTFOLIO	313,206.50	9,921,198.11
ACCRUED INTEREST, EXPENSES, ETC.		128,990.35
RESERVE FOR CONTINGENCIES		1,121,548.78
CAPITAL	$ 2,000,000.00	
SURPLUS	11,385,362.71	13,385,362.71
		$162,019,785.99

THERE ARE PLEDGED TO SECURE PUBLIC MONIES U. S. GOVERNMENT SECURITIES IN THE AMOUNT OF $900,000.00.

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FACILITIES

COMPLETE FACILITIES FOR DOMESTIC AND FOREIGN BANKING

Deposit Accounts · Loans · Acceptances Commercial Letters of Credit

ORDERS EXECUTED FOR THE PURCHASE OR SALE OF SECURITIES

INVESTMENT ADVISORY SERVICE.

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Licensed as Private Bankers and subject to examination and regulation by the Superintendent of Banks of the State of New York and by the Department of Banking of the Commonwealth of Pennsylvania. Subject to supervision and examination by the Commissioner of Banks of the Commonwealth of Massachusetts.

Tax-Phobic?

If your customers are suffering from the newest malady in financial circles, tax phobia, you will want to send for a copy of the current bulletin, the first of a series, on "plan for increased income to meet increased taxation" issued by Strauss Bros., 32 Broadway, New York City. Copies of this bulletin, and subsequent ones, may be had from Strauss Bros. upon request.

Noland In Air Corps

Robert H. Noland, New England and Eastern States representative of Lord, Abbett & Co. has been appointed to a commission as Captain in the Procurement Division of the United States Army Air Corps. Captain Noland left New York for Buffalo on April 4, 1942 to take over his new duties with the Air Corps.

Hixon, Stewart & King To Continue Firm

CHICAGO, ILL.—The Chicago Stock Exchange firm of Hixon, Stewart & King, 120 South La Salle Street, will be continued under the same name, it was announced by John C. Stewart and Thomas E. King, partners in the firm. William L. Hixon, a partner in the firm, died recently in Chicago.

Reginald MacArthur Joins Miller, Kenower & Co.

DETROIT, MICH. — Reginald MacArthur has become associated with Miller, Kenower & Co., Inc., Penobscot Building. Mr. MacArthur for the past ten years has been connected with Crouse & Co. and prior thereto he was with the Guardian Detroit Bank for a number of years.

MANUFACTURERS TRUST COMPANY

Condensed Statement of Condition as at close of business
March 31, 1942

RESOURCES

Cash and Due from Banks	$ 357,441,582.36
U. S. Government Securities	319,910,630.92
U. S. Government Insured F. H. A. Mortgages	4,870,343.82
State and Municipal Bonds	30,893,857.82
Stock of Federal Reserve Bank	2,246,750.00
Other Securities	37,544,975.52
Loans, Bills Purchased and Bankers' Acceptances	301,101,095.01
Mortgages	16,289,428.09
Banking Houses	12,689,000.00
Other Real Estate Equities	2,708,612.38
Customers' Liability for Acceptances	4,285,144.85
Accrued Interest and Other Resources	4,025,376.94
	$1,094,006,797.71

LIABILITIES

Preferred Stock	$ 8,892,780.00	
Common Stock	32,998,440.00	
Surplus and Undivided Profits	42,167,115.61	84,058,335.61
Reserves		5,033,388.72
Reserve for Preferred Stock Sinking Fund		750,003.46
Common Stock Dividend (Payable April 1, 1942)		824,959.50
Preferred Stock Dividend (Payable April 15, 1942)		222.319.50
Outstanding Acceptances		4,700,091.07
Liability as Endorser on Acceptances and Foreign Bills		261.202.07
Deposits		998,156,497.78
		$1,094,006,797.71

DIRECTORS

EDWIN M. ALLEN
President, Mathieson Alkali Works, Inc.
EDWIN J. BEINECKE
Chairman, The Sperry & Hutchinson Co.
EDGAR S. BLOOM
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President, Scranton & Lehigh Coal Co.
HAROLD C. RICHARD
Chairman, General Bronze Corporation
HAROLD V. SMITH
President, Home Insurance Co.
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HENRY C. VON ELM
Vice-Chairman of the Board
ALBERT N. WILLIAMS
President, Western Union Telegraph Company

Principal Office: 55 Broad Street, New York City
68 BANKING OFFICES IN GREATER NEW YORK
European Representative Office: 1, Cornhill, London, E. C. 3
Member Federal Reserve System
Member New York Clearing House Association
Member Federal Deposit Insurance Corporation

Both Common and Preferred shares have a par value of $20 each. The Preferred is convertible into and has a preference over the Common to the extent of $50 per share and accrued dividends.

Enemy Trading Rules For U.S. Firms in Latin America

The Treasury Department made public on March 30 the standard of conduct which United States concerns doing business within Latin America are required to follow with respect to transactions involving enemy nationals. The Department points out that Public Circular No. 18 issued March 30 made it clear that United States concerns operating in Latin America, including their agents, subsidiaries and affiliates, may not deal in any manner whatsoever with enemy nationals, except pursuant to specific authorization of the Treasury Department. The Department adds:

> This public circular was issued in response to inquiries received by the Treasury Department after the release of General Ruling No. 11 which prohibits, unless specially licensed, transactions involving trade or communication with enemy nationals. "Enemy national" was defined in General Ruling No. 11 as meaning (a) any person within enemy territory; (b) any person whose name appears on the "black list," i.e., The Proclaimed List of Certain Blocked Nationals, or any person acting for a black listed person; and (c) representatives or agents of the governments of Germany, Italy, Japan, Bulgaria, Hungary or Rumania, whether situated within or without enemy territory. "Enemy territory" was defined as meaning the territory of Germany, Italy and Japan, together with the territory under their occupation or control.
>
> Today's public circular calls attention to the fact that the prohibition against dealings with enemy nationals are applicable to any person within the Western Hemisphere who is subject to the jurisdiction of the United States, including all individuals and concerns within the United States; all citizens of the United States wheresoever located; all concerns organized under the laws of the United States or having their principal place of business in the United States, including any agent, subsidiary, or affiliate of any such concern wheresoever located; and any concern which is owned or controlled by any other concern subject to the jurisdiction of the United States.

Western Meetings On Grain Storage Problem

Anticipating a shortage of storage space, representatives of agriculture, transportation agencies, and the grain trade will attend a series of meetings this month in 11 western cities to discuss methods of facilitating grain storage and movement, the U. S. Department of Agriculture announced on April 4. The first meetings were scheduled for St. Louis, on April 6, Chicago, April 7, and Kansas City, April 8. Meetings will be held at Enid, Okla., April 10; Amarillo, April 11; San Francisco, April 15; Portland, April 17; Seattle, April 18; Ogden, Utah, April 20; Omaha, April 22; and Minneapolis, April 23.

Later, similar meetings will be held in Indianapolis, Columbus, Buffalo, Philadelphia and Baltimore. Department grain experts point out that problems in connection with housing the 1942 crop promise to be more critical than they were a year ago because of the larger carry-over, above average crop prospects, increased non-agricultural demand for railroad facilities, no great increase in commercial fire-proof storage during the year, and the growing scarcity of labor and structural materials.

Representatives of country elevator operators, subterminal and terminal operators, flour milling interests, grain commission merchants, feed and grain dealer associations, and the Association of American Railroads will discuss grain transportation and storage problems with representatives of the War Production Board, U. S. Department of Agriculture, USDA War Boards, and State Departments of Agriculture and State Agricultural Colleges.

1941 Net Profits 17% Above 1940

(Continued from First Page)

(which report profits on a quarterly basis) were smaller than during the fourth quarters of either of the two preceding years. Their aggregate profits in 1941 were 21% lower than in 1929 although industrial production was 40-45% higher in 1941 than in 1929.

(Net profits in millions of dollars)

Corporation group	No. of cos.	1937	1940	1941
Advertising, printing and publishing	13	14.1	17.8	18.8
Aircraft manufacture	13	6.3	42.5	65.4
Automobiles	13	250.6	240.5	260.1
Automobile parts and accessories	53	54.8	65.2	81.0
Building supplies:				
Brick, glass, and gypsum	15	40.1	37.2	38.5
Cement	10	6.8	8.3	11.2
Hardware	7	7.4	7.3	9.4
Heating and plumbing	14	27.9	23.0	24.1
Lumber and roofing products	10	11.7	12.1	15.9
Paints and varnishes	6	7.2	7.9	8.7
All other	7	8.8	6.9	8.4
Chemicals	35	188.1	180.2	193.9
Containers (metal and glass)	8	42.7	39.0	40.8
Copper and brass fabricators	8	6.7	12.0	17.5
Drugs, cosmetics, and soaps	20	56.6	60.9	70.8
Electrical equipment	32	128.6	131.7	131.8
Food and food products:				
Bakery	9	9.1	8.7	7.9
Beverages	20	54.0	61.6	69.0
Confectionery	9	18.9	19.6	20.9
Dairy products	5	19.5	22.5	25.0
Flour milling and cereal products	9	16.1	19.7	22.3
Meat packing	8	9.6	21.6	33.6
All other	14	37.6	47.9	48.8
Household supplies:				
Electrical	12	12.4	9.0	9.9
Furniture and floor covering	9	13.9	13.2	15.1
All other	14	9.5	8.9	9.7
Leather and shoes	11	4.9	4.8	8.4
Machinery:				
Agricultural	8	66.4	47.6	61.3
Machine tools	12	9.6	15.0	19.6
Store and office equipment	15	40.5	28.0	38.5
Industrial machinery and accessories	77	72.7	69.6	94.2
Mining:				
Coal	20	6.7	15.0	25.2
Copper	7	88.6	74.8	85.2
Gold and silver	11	33.7	27.6	24.9
All other	16	86.5	67.3	70.1
Motion pictures	7	8.8	13.0	16.0
Paper, pulp, and allied products	34	27.0	29.0	37.2
Petroleum	42	216.7	134.3	209.4
Railroad equipment	18	48.3	36.9	47.9
Retail trade:				
Department and apparel stores	16	26.9	34.6	35.9
Food stores	15	11.3	15.6	18.1
Mail order houses	5	53.9	62.1	62.1
Variety stores	10	59.4	49.2	52.0
All other	14	8.7	9.0	12.6
Rubber and tires	9	26.5	38.9	49.7
Shipbuilding	4	0.1	8.9	10.0
Steel and iron	54	244.4	289.4	335.9
Textiles:				
Clothing and apparel	23	5.3	7.7	13.0
Silk and rayon	15	11.7	14.8	17.0
All other	16	2.8	12.4	21.3
Tobacco	18	92.3	93.8	83.4
Transportation:				
Aircraft	6	†1.6	4.3	4.3
Shipping	5	1.6	6.4	9.9
Miscellaneous	38	38.5	37.3	45.5
Total, 54 groups	899	2,351.2	2,372.5	2,767.1
Class I railroads, net income	137	98.7	185.1	501.7
*Telephone companies, net income	33	189.0	202.0	196.0
Other public utilities, net income	59	241.6	253.6	264.5

*Excludes dividends received by American Telephone and Telegraph Co. †Deficit.

Domestic Rayon Delivery 23% Above Year Ago

Rayon deliveries to domestic mills (yarn plus staple fiber) during the first quarter of 1942 aggregated 153,500,000 pounds, an increase of 23% as compared with deliveries of 124,700,000 pounds reported for the corresponding period in 1941, according to "Rayon Organon," published by the Textile Economics Bureau, Inc., New York City. It is likewise announced that deliveries of rayon yarn alone for the first quarter of 1942 amounted to 117,100,000 pounds, as against 102,000,000 pounds shipped in the first quarter of 1941, an increase of 15%. For March, it is added, yarn shipments alone aggregated 39,900,000 pounds, as compared with 36,000,000 pounds shipped in February and 35,400,000 pounds shipped in March, 1941.

The Bureau's announcement further said:

> Rayon staple fiber deliveries to domestic mills during the first quarter of 1942 amounted to 36,400,000 pounds, an increase of 60% as compared with 22,700,000 pounds shipped in the corresponding period last year. March deliveries of staple fiber to domestic mills aggregated 12,600,000 pounds as compared with 9,000,000 pounds in March, 1941.
>
> The "Organon" for the first time publishes figures showing the monthly consumption and end-of-month stocks of rayon staple fiber held by producers.
>
> These figures show that stocks of rayon staple fiber held by producers as of March 31, 1942 amounted to 2,300,000 pounds as compared with 2,100,000 pounds held on Feb. 28, 1942 and 9,800,000 pounds at the end of March, 1941.
>
> Rayon yarn in the hands of producers on March 31, 1942, amounted to 4,000,000 pounds as compared with 4,400,000 pounds on Feb. 28, 1942, and 10.200,000 pounds on March 31, 1941.

Conserve Money Bags

Allan Sproul, President of the Federal Reserve Bank of New York, on March 28, asked the banks in the Second Federal Reserve District to cooperate in returning empty coin and currency bags to the Reserve Bank, at the latter's expense. This followed the recent action of the United States Mint in seeking from the banks of the country cooperation as part of the war effort. It is said that the immediate necessity for conserving the existing supply of these bags arises from the growing use, by our armed forces, of the material of which the bags are made.

STANY S. F. Bonds Called

The Security Traders Association of New York announce that all final digits have been eliminated from the sinking fund bonds, except seven, which is the last remaining.

Our Reporter On "Governments"

(Continued from First Page)

issue. . . . And professionals believe the uptrend will last for this month, anyway—unless the news gets a lot worse than it is today. . . .

Liquidity

The anxiety of the Treasury to put its market in shape and keep it "happy" is being evidenced in a dozen different ways these days. . . . The certificate issue, for instance, was decided upon because of the pressure from commercial banks eager to get short-term stuff that they could use to ease them over special money dates—the income tax periods, holiday seasons, etc. . . .

That there has been an increasing shortage of short-term paper is obvious from the statistics. . . . At the end of January, the ratio of bills to the total interest-bearing debt was only 3.5%. . . . In 1933, the volume of bills and certificates outstanding totaled 13.8%. . . . In 1936, the figure was 7.1%. . . .

At the end of January, the ratio of securities maturing in less than five years (notes) to the total outstanding interest-bearing debt was 13.9%. . . . In 1935, the percentage of notes to the total was 36.3%. . . . In 1938, it as still as high as 25%. . . .

The expansion of the short-term debt was demanded by the banks and the Treasury yielded. . . . On terms of new issues, the fiscal authorities also are paying more attention to advisers than before. . . . The recent trip of Treasury spokesmen around the major financial centers was indication of the department's eagerness to get the opinions of all investors who are needed in the financing of the war and all professionals who know the desires of buyers. . . .

There hasn't been much question of the Government's ability to handle the market in the last few months. . . . On the contrary, among experts, the Treasury is receiving more praise for its astuteness in market control than at any other time. . . . The Federal Reserve System might be included in this compliment too. . . . But with the agencies also working closely with private sources on all issues, the question of control is even more favorably viewed. . . .

Inside the Market

Bankers, brokers, bond men and securities dealers contributed considerably to the success of the certificate of indebtedness issue. . . . On Good Friday, for instance—the day corporations were asked to telegraph the Treasury concerning their intentions to subscribe—hundreds of investment bankers were in their offices, phoning corporation executives, telling them about the certificates, suggesting to them reasons why they should buy the issue. . . . Counting all the firms in the various groups asked to aid the Treasury on this deal—and presumably to be asked to help on others—the number of assistants runs above 6,000. . . .

One angle of this deal that hasn't been publicized is the fact that the Treasury Chief decided to issue only one $1,500,000,000 series instead of two offerings—as he originally stated. . . . The dealers not only were surprised at this change of heart, but they also were completely confused. . . . Some said, in fact, that Morgenthau's intention might have been to "confuse us so we wouldn't start thinking we had too much to do with Government financing decisions." . . . Just one note of criticism in the general wave of praise. . . .

Talk around that the Treasury is going to lift the limit on yearly investments in the larger denominations of defense bonds. . . . Check now being made of estates, trustees and other agencies which have been buying the Series F and G bonds to discover how much the boost is needed. . . . Feeling is limit may be lifted to $100,000 or thereabouts. . . .

Also reports that limit on Series E bond purchases by individuals—$5,000—may be doubled. . . .

Decline in defense bond sales in March considered more serious than officials have indicated.

More Govt. Money Retired From Home Loan Banks

Far ahead of their agreed schedule, savings and loan associations have retired nearly one-third of the investments made in them by the Government during depression years, James Twohy, Governor of the Federal Home Loan Bank System, announced on March 14. Mr. Twohy said:

> These thrift institutions have retired about $86,000,000 of the $273,000,000 invested in their shares by the Treasury and the Home Owners' Loan Corporation, largely in the 1933-1937 period. Of this $86,000,000 in retirements, nearly $75,000,000 came back to the Government in advance of the due date. During the January semi-annual retirement period, upwards of $10,000,000 in these investments was repurchased by the associations.
>
> This is an effective refutation of the fears which were expressed by some that temporary Government assistance to private financial institutions would lead to permanent Federal subsidy.

The Bank Administration's announcement adds:

> After these investments were authorized by Congress in 1933-1934 to expedite local home financing, the Treasury invested a total of $49,300,000 in shares of Federal Savings and Loan Associations and the HOLC invested $223,459,210 in Federal associations and other member institutions of the Federal Home Loan Bank System. On last Feb. 28, the Treasury investments outstanding had been reduced to $19,444,700 and HOLC investments to $167,020,410, with the result that the ratio of Government capital to the total assets of all savings and loan members of the System was only about 4% as compared with a peak of 7.1% at the end of 1937.

About 1,400 of the 3,785 member savings and loan associations of the Federal Home Loan Bank System received these investments, which were to be retired over 10 years beginning five years after they were made. Several hundred institutions have liquidated the investments in full, according to Mr. Twohy.

Young With MacLaughlin

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Paul Young has become associated with Leo G. MacLaughlin Company, 54 South Los Robles Avenue, Pasadena, Calif., members of the Los Angeles Stock Exchange. Mr. Young was formerly with Conrad, Bruce & Co. and prior thereto was wholesale representative in Los Angeles for Transcontinent Shares Corporation.

Coal & Iron Co. Attractive

According to a circular just issued by Schoonover, deWillers & Co., Inc., 120 Broadway, New York City, the current situation in Philadelphia & Reading Coal & Iron Co. 5s of 1973 and 6s of 1949 offers particularly attractive possibilities. (The company is in the process of reorganization.) Copies of the circular may be had upon request from Schoonover, deWillers & Co.

March Futures Trading In Farm Commodities

Futures trading in grains increased in March over February, but activity in most other commodities continued downward, fats and oils reaching very low levels, the Department of Agriculture said on April 3. The Department's announcement further stated:

> On the Chicago Board of Trade transactions in grain aggregated 353,464,000 bushels, an increase of 30% compared with February, according to reports to the Commodity Exchange Branch of the Agricultural Marketing Administration. The turnover in wheat futures was 120,092,000 bushels, and in corn 103,242,000 bushels. In futures contracts outstanding all grains except soybeans showed slight increases during the month.
>
> Trading in cotton futures declined slightly compared with February, and with March last year. Transactions on the New York Cotton Exchange totaled 2,710,300 bales and on the New Orleans Cotton Exchange 1,106,000 bales. Activity in wool top futures showed a further increase during the month, 3,400,000 pounds being traded, although this was still far below the level of the corresponding period last year.
>
> Butter futures trading on the Chicago Mercantile Exchange experienced a further sharp decline, and egg futures transactions were at a slightly lower level. Due to the postponement of the opening of the November butter future — customarily traded in during March—trading was limited to the March future which expired on the 30th. Consequently no butter futures contracts are now outstanding. Trading in the November future is expected to begin April 13.
>
> With cottonseed oil and lard prices at or near ceiling levels, futures trading in these two commodities declined sharply during March, although a substantial amount of futures contracts remained outstanding at the end of the month.

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23 BANKING OFFICES IN BOSTON

FOREIGN BRANCHES IN ARGENTINA AND CUBA

A CONDENSED STATEMENT *of* CONDITION

Covering all Offices and Foreign Branches

as of March 31, 1942

RESOURCES

Cash and Due from Banks		$398,491,419.56
United States Government Obligations		162,532,887.43
State and Municipal Securities		25,640,861.11
Stock of Federal Reserve Bank		2,010,000.00
Other Securities		16,641,185.20
Loans and Discounts		325,912,796.77
Customers' Liability for Acceptances		6,660,321.56
Banking Houses		13,216,288.15
Other Real Estate		647,592.63
Other Assets		3,296,100.57
Total		$955,049,452.98

LIABILITIES

Deposits		$845,372,702.75
Acceptances Executed	$16,358,773.84	
Less: Held for Investment	8,681,655.18	7,677,118.66
Items in Transit with Foreign Branches		1,741,334.93
Reserve for Interest, Taxes, Dividend and Unearned Discount		3,619,088.31
Other Liabilities		3,693,431.87
Reserve for Contingencies		9,527,879.74
Capital	$27,812,500.00	
Surplus	39,187,500.00	
Undivided Profits	16,417,896.72	83,417,896.72
Total		$955,049,452.98

The figures of Old Colony Trust Company, which is beneficially owned by the stockholders of The First National Bank of Boston, are not included in the above statement.

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What Is Adequate?

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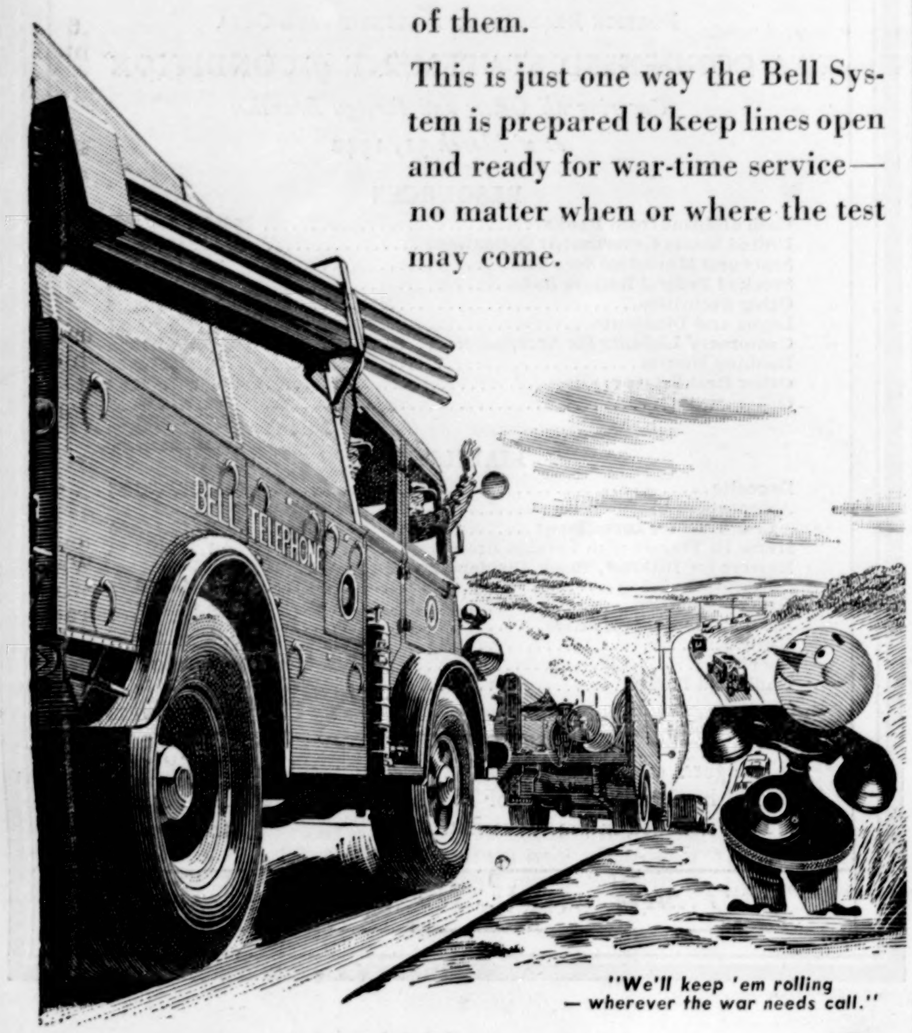
This is just one way the Bell System is prepared to keep lines open and ready for war-time service—no matter when or where the test may come.


BELL TELEPHONE
"We'll keep 'em rolling — wherever the war needs call."

BELL TELEPHONE SYSTEM *Service to the Nation in Peace and War*

Mutual Savs. Bankers Plan War Conference

The National Association of Mutual Savings Banks will hold an economic conference at the Waldorf-Astoria, New York City, May 6, 7, and 8. Affairs of the nation, and especially the functions of mutual savings banks under the new economy, are to be discussed by men of prominence.

The first business will be an address by President Andrew Mills, Jr., reviewing developments of the last year, and pointing forward to the year ahead. Mr. Mills is President of the Dry Dock Savings Institution, New York. At the opening session Harold N. Graves, Assistant to the Secretary of the Treasury and in charge of the distribution of Defense Savings Bonds, will outline the progress of that movement.

The luncheon meeting on that day, under the auspices of the Small Savings Banks, will be presided over by H. L. Wheatley, Treasurer of the City Savings Bank of Meriden, Conn., and Chairman of the Committee. The speaker of the occasion will be Joseph Earl Perry, Commissioner of Banks in Massachusetts.

In the afternoon of the first day, I. W. Roberts, President of the Philadelphia Saving Fund Society and Chairman of the Committee on Public Utility Investments, will report for that group. Recent developments in Washington affecting Mutual Savings Banks and the probabilities of future legislation are to be analyzed by A. George Gilman, President of the Malden Savings Bank of Malden, Mass., and Chairman of the Committee on Federal Legislation. Henry Bruere, President of the Bowery Savings Bank of New York, will likewise be one of those presenting a committee report, as will also Robert L. Hoguet, President of the Emigrant Industrial Savings Bank of New York.

In addition to the reports of the chairmen of the Association's various committees, those scheduled to address the meeting include the following:

Walter D. Fuller, President of the Curtis Publishing Co., Philadelphia, and Chairman of the National Association of Manufacturers.

Charles W. Kellogg, President of the Edison Electric Institute.

Edmund Burke, Jr., member of the Securities and Exchange Commission.

Roy B. White, President of the Baltimore & Ohio RR.

Louis B. Pink, Superintendent of Insurance for New York State.

Thomas S. Holden, President of the F. W. Dodge Corp., New York.

Sees Capital Market Revival Following War

The revival of the capital market after the war was pictured by Dr. Marcus Nadler, Professor of Banking and Finance at New York University at an educational meeting of the Association of Customers' Brokers in the Governors' room of the New York Stock Exchange on March 24. The prediction was made by Dr. Nadler that the war would be more quickly won than most people expect and that while the capital market might be wiped out in the next year or so, it would revive to do a tremendous job when fighting ended with Washington the "hub of the world." Dr. Nadler's views were thus reported in the New York "Times" which also indicated him as saying that after the war the market would be exceedingly active, with Wall Street supplying the needs of industry during the period of conversion back to peace-time activity.

From the "Times" we likewise quote:

> He said he expected the Government to retain its paramount position in building, farming and possibly transportation after the war, but thought all other industries would call on Wall Street.
>
> Investment morale today is low, he declared, partly because of taxes and other fiscal matters, but largely because of the course of the war. He expected that a great victory for the United Nations would have an immediate effect on the prices of equity securities. Profits in 1942, he thought, would be at least as high as those in 1938, despite new taxes. He hedged this prediction by saying it was based on a war tax rate no higher than 55%.
>
> Dr. Nadler pointed to the many uses of capital after the war, especially by overseas subsidiaries of such corporations as Standard Oil, Shell Union and the Texas Corporation, which have lost installations worth $500,000,000 to $700,000,000 in foreign countries. Companies of this type, with established credit, he said, should have no difficulty in finding the money to replace those plants.
>
> After the war, he said, the political picture would be much altered. Few of the cities in continental Europe would exert their pre-war influence. . . .
>
> The national interest of the United States, he said, would demand a strong China and some loans certainly would be made to that country, primarily for building up its transportation system. Private capital, he added, would find other outlets for money to develop and to take advantage of the potentially great Chinese market.

Whelan Joining Brinton

Francis T. Whelan will become a partner in Brinton & Co., 1 Wall Street, New York City, members of the New York Stock Exchange. It is proposed that Mr. Whelan act as alternate on the floor of the Exchange for Benjamin H. Brinton.

Forming Sage & Co.

Henry W. Sage, Jr., member of the New York Stock Exchange, and James M. Grady will form the Exchange firm of Sage & Co., 40 Wall Street, New York City. Mr. Sage was formerly an individual floor broker. It is proposed that Mr. Grady act as alternate for him on the floor of the Exchange.

UP-TOWN AFTER 3

MOVIES

"The Male Animal" (WB), Henry Fonda, Olivia de Havilland, Jack Carson, Eugene Pallette, Herbert Anderson, Joan Leslie. Directed by Elliot Nugent. . . . A brilliantly amusing movie that in many ways is better than the play from which it was adapted. It's funny because every actor—even bit—gives an excellent performance; clever because Warner Bros. has given Nugent free rein to interpret "Male Animal" without regard to anybody's crushed toes. It's a story in which Red baiting, academic liberalism, Big Ten football and the way of a man with his mate are all delightfully mixed up. It all starts because Professor Turner (Henry Fonda) announces his decision to read Vanzetti's letter to his class in English composition. The heavens open. The Red hunt is on. Trustees, led by Eugene Pallette, concerned with football stadiums and a winning team are scared to death by what is called the Professor's "unAmericanism." To add to the mess it is the eve of the Big Game and the college's all-time all-American hero (Jack Carson) returns for the festivities. But here the plot gets funnier. The football titan was once an ardent suitor of Mrs. Turner, "they danced beautifully together." So what with memories revived the Professor sees in the greeting of his wife and her one-time suitor a menace to his domestic bliss. At first he decides to stand aside but later, fortified by Scotch, and an exposition on male psychology to the campus editor, he bolsters up his courage and socks the football Great. How the whole thing resolves you will have to see for yourself. You won't regret it. It's hilarious entertainment. . . . **"Rio Rita" (MGM), Abbott and Costello, Kathryn Grayson, John Carroll, Patricia Dane, and others. Directed by S. Sylvan Simon.** . . . The movie version of the musical comedy of a few seasons back gives Abbott and Costello a lot of room in which to roam around. However, they use the same bits of business and the same gags they have used so often before. The music is good but that is about all that can be said for it. Unfortunately MGM has depicted the villains of the piece, Nazi agents, as half-witted nincompoops, against whom our heroes have a field day. I say unfortunately because this underestimation of the enemy, Jap or Nazi, has already done much damage. This business that any American can lick any ten foreigners, is no longer morale building or amusing. It is dangerous. It creates false confidences out of which Pearl Harbors arise. . . . **"The Pasha's Wives," a new French film with English translations at the World Theatre, New York.** Advance publicity described this one as a fine movie. It doesn't live up to it. It's a dull, draggy picture about life, morals and court intrigue in the Turkey in 1910. A young Pasha and his French bride return to Turkey. The bridegroom is full of high resolves. He wants to make his country progressive; introduce electric lights, sanitary plumbing, etc. National custom, however, requires bribery which he refuses to give. So to bring him to his knees the chief of police induces the Sultan to confer upon the young Pasha another wife as the beginning of a harem. Naturally his European bride resents it. Things, however, work out well in the end. Viviane Romance is the French bride. John Lodge is the husband and Dalio, who turns in a top performance, is the Sultan.

NIGHT CLUB

La Conga (51st, off B'way) is one of the few West Side places that hasn't forgotten its Latin music. With Morales doing the conga and rhumba rhythms, and owner, Jack Harris, furnishing the swing stuff, the people here actually seem to enjoy themselves. Watching good rhumba dancing is to me as good as watching any floor show. And at La Conga the customers really put it on. For the more orthodox there is a show, too. Headed by comedian, Al Bernie, who acts as M. C., its new show, while not the best, is amusing. There is a French magician, Guili-Guili- who actually pulls live chicks out of his hair, mouth and out of customer's pockets. The rest of the show consists of Galvan and his dancers; Harriet Lane, a singer, and the line of girls, attractively costumed, who call themselves the Les Congettes. All in all the place gives you your money's worth. One of the fixtures is Karl, the headwaiter. He is a pleasant chap and tries hard to please.

ON THE DAWN PATROL

Ray Bolger getting a big hand at El Chico with his satire on the rhumba. . . . Don Loper and Maxine Barrat signing autograph for a fan outside of "21" . . . on the back of the lad's Social Security Card. . . . Katherine Cornell at Jimmy Dwyer's Sawdust Trail, clapping her hands in the right places for "Deep In The Heart of Texas." . . . John Garfield at the Penthouse Club taking two steps at a time from the Terrace and almost falling flat on his face. . . . "Aw, shucks!" says the tough movie actor. . . . At the Stork Club, where they charge first rate prices for third rate food, but people insist on going there because . . . well, you figure the "because!"

Homer Scott With Davies

(Special to The Financial Chronicle)

SAN BERNARDINO, CALIF.—Homer R. Scott has become associated with Davies & Co., Pacific Mutual Building, Los Angeles, and Russ Building, San Francisco. Mr. Scott was previously local manager for O'Melveny, Wagenseller & Durst and its predecessor firms for many years.

To Admit W. T. Rice

CHICAGO, ILL. — Walter F. Rice will become a partner in Daniel F. Rice & Co., 141 West Jackson Boulevard, members of the New York Stock Exchange, effective today. In the past Mr. Rice was a partner in the firm.

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Tomorrow's Markets Walter Whyte Says——

(Continued from Page 1439)

vester at about 43, but not to be carried under 41½.

* * *

Union Carbide seems to have struck a bottom of some kind just under 60 (58½-59½), but in the ranges 61½-63, it runs into important offerings. In the last few days Union Carbide has developed a quality that indicates a better than average move. But all this will be cancelled if it sells under 57.

* * *

Western Union is another stock which of late has been acting better than the market and better than its group. No important stock seems to lay immediately ahead of it, short of 28. On the downside, 25 to 26 seems to be an impressive base. Suggest the buying of this one between 25 and 26, with a stop at 24.

* * *

You will note that all the stocks mentioned above are not cheap as far as price is concerned. But frankly few, if any of the so called cheaper stocks, those selling between 10-20, show anything of a positive nature.

* * *

More next Thursday.

—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Savings Loan Ass'ns Disburses in 1941

In 1941 the nation's savers and investors in savings, building and loan associations received $940,000,000 in the form of cash withdrawn, cash dividends, and loans on security of share capital, according to an estimate made public on April 5 by the United States Savings and Loan League, Chicago.

The outflow was somewhat larger than it had been the year before, it was indicated by Fermor S. Cannon, President of the League. Nevertheless, it is added, for every $1.00 of capital withdrawn, $1.62 was put in by a new investor or by an old investor on an already existing share account. The ratio of new money received to money paid out was slightly lower than in 1940, but was still sufficient for substantial growth of the nation's private home financing facilities, since the largest dollar volume of new money came in of any time in eleven years. Mr. Cannon also states:

> The conclusion is definitely to be drawn that the American people made greater use of their accumulated savings last year than they had at any time during the post-depression period, but at the same time their neighbors were setting more money aside than they had been for ten years back. Purposes for which money was paid out by the associations were led by the desire to purchase substantial goods, such as homes and automobiles, before prices should go any higher or war interfere in some other way with purchasing power. Much of the cash turnover was undoubtedly due to the fact that the original purpose for which the money was saved came to hand, such as time for a child to go to college, or to make a down payment on a home, or to take an extended vacation. Expenditures for all of these things most likely were hastened in desirability in 1941 by the darkening clouds of the international situation.

The League broke down the estimated total disbursement to savers and investors as follows: withdrawals, $850,000,000; cash dividends on lump-sum investments, $75,000,000; and share loans, $15,000,000.

Offers Retread Tire Plan

Criticizing Federal tire rationing as "inept and needlessly harsh," Elliot E. Simpson, director of several small rubber companies, outlined on April 2 a plan to equip all civilian motor vehicles in the United States with retreaded tires for freedom of driving throughout the war.

The tires would give a minimum of 5,000 miles travel at 40-mile speed, he said at the Norwalk Tire and Rubber Co. plant, Norwalk, Conn. Mr. Simpson is director of L. Drexsage Co., New York City, sales agents for the Norwalk Co.

Reporting on his remarks, a New York "Times" dispatch of April 2 from Norwalk said:

> Named "Victory Camelback" and tested since July by trucks and taxicabs, the retread rubber was said to require for a standard passenger car tire two ounces of crude rubber five pounds of reclaimed rubber and three pounds of non-strategic materials.
>
> Mr. Simpson, who described features of the plan in Washington on Mar. 7 and appeared before the House Committee on Interstate and Foreign Commerce, said that the great majority of drivers would welcome the chance to use retreads. He indicated that careful use might prolong to 10,000 miles a tire's life.
>
> On an annual basis of furnishing one tire a year for 35,000,000 civilian vehicles, Mr. Simpson showed that present stocks of new and used rubber would last at least ten years.
>
> About 2,000 tons of crude rubber would be needed as the two-ounce "cushion" adhesive holding the camelback on the old tire, he estimated, while 80,000 to 90,000 tons of reclaimed rubber would meet yearly requirements. He pointed out that 2,000 tons of crude rubber was 0.3% of America's 600,000 tons crude consumption.
>
> "This is less than the amount of new rubber the government is releasing now under rationing and it would let every one have tires," he said.
>
> Concerning reclaimed rubber, Mr. Simpson estimated that 10,000,000 tons of it were lying around in used and little known stock piles.
>
> "The War Production Board and the Office of Price Administration are going on the theory that there is very little stock of reclaim," he asserted. "They just don't know where to look for it. There are millions of tons—not just the 'sweet stuff' easy to process, but in garden hose and other forms.
>
> "Why, there are 150,000 tons of old rubber in Texas, kept there by freight rates from use outside the area. Oklahoma must have at least 100,000 tons lying around near the oil fields, if some one would go get it."

Norfolk and Western Railway Company

SUMMARY OF FORTY-SIXTH ANNUAL REPORT FOR 1941

The Forty-sixth Annual Report of the Norfolk and Western Railway Company covering operations for 1941 shows that Gross Railway Operating Revenues increased $14,948,293, or 14.21 per cent., over 1940. Operating Expenses increased $6,058,658, or 10.52 per cent. Net Income decreased $4,189,973, or 13.35 per cent. Income Balance of $26,282,148 was equal to $18.68 per share of outstanding Common Stock, as compared with $21.66 in 1940.

Income Statement

	1941	Comparison with 1940
Operating Revenues	$120,176,913.99	+ $14,948,293.13
Operating Expenses	63,638,981.67	+ 6,058,658.17
Net Revenue from Operations	$56,537,932.32	+ $8,889,634.96
Railway Tax Accruals—Federal, State and Local Taxes	32,139,362.02	+ 13,971,417.54
Railway Operating income	$24,398,570.30	— $5,081,782.58
Rent Income—Equip. and Joint Facilities—Net	4,677,707.94	+ 903,828.74
Net Railway Operating Income	$29,076,278.24	— $4,177,953.84
Non-Operating Income	865,752.11	— 22,279.05
Gross Income from all sources	$29,942,030.35	— $4,200,232.89
Interest paid on Bonds & Miscellaneous Deductions	2,748,027.05	— 10,260.15
Net Income	$27,194,003.30	— $4,189,972.74
Dividends on Adjustment Preferred Stock—$4.00 per share	911,855.00	— 1,525.00
Income Balance	$26,282,148.30	— $4,188,447.74

Note—Net Railway Operating Income was equivalent to 5.33% earned upon the Company's Railway Property Investment, compared with 6.29% in 1940.

Profit And Loss Statement

Credit Balance, January 1		$168,399,603.04
Add:		
Income Balance for Year		26,282,148.30
Miscellaneous Items		481,537.85
		$195,163,289.19
Deduct:		
Appropriation of Surplus for Dividends on Common Stock	$21,097,245.00	
Miscellaneous Items	339,383.71	21,436,628.71
Credit Balance, December 31		$173,726,660.48

Dividends

Dividends of $4.00 per share, or $911,855, were paid upon the Adjustment Preferred Stock. Dividends of $15.00 per share, or $21,097,245, were paid upon the Common Stock, the same as in 1940. The total of Common Stock dividends paid during 1941 represented 3.87 per cent. of the Company's Railway Property Investment, and 80.27 per cent. of the Income Balance.

Taxes

Railway tax accruals were $32,139,362, an increase over 1940 of $13,971,418, or 76.90 per cent. Taxes amounted to 27 cents per dollar of Operating Revenues, to 118.19 per cent. of Net Income after taxes, to $1,563.27 for each employee, to $22.85 for each share of Common Stock, and to 5.90 per cent. of Railway Property Investment. Federal taxes, representing two-thirds of all tax accruals for the year, increased $14,288,050, chiefly because of larger revenues and increases in tax rates. Accruals for Excess Profits tax amounted to $10,750,000.

Wage Increases

As a result of mediation by an Emergency Fact-Finding Board appointed by the President of the United States, effective December 1, 1941, all train and engine service employees received an increase of 76 cents per day and non-operating employees received an increase of 80 cents per day and vacations with pay beginning in 1942. These employees also received retroactive pay for the period from September 1 to December 1, 1941, at somewhat lower rates. Other employees—not covered by this settlement — were given comparable increases. Based upon the average employment for 1941, it is estimated that the increases, including vacations with pay, will add $6,250,000, or 16.02 per cent., to the Company's annual payroll.

Transportation Rates

Effective February 10, 1942, Class I Railroads were authorized by the Interstate Commerce Commission to increase interstate passenger fares by 10 per cent., with minor exceptions, including special fares provided for the military and naval forces of the United States traveling on furlough.

On March 2, 1942, the Commission authorized a general increase of six per cent. in freight rates, with exceptions. On certain products of agriculture, live stock and products, and certain low grade products of mines, the increase authorized was three per cent. The increase authorized in bituminous coal rates was 3 cents per net ton and 4 cents per gross ton for rates of $1.00 or less, and 5 cents per net ton and 6 cents per gross ton for rates over $1.00. No increase was approved in the rates on iron ore. The new rates became effective on March 18, 1942, and will continue for the period of the war and six months thereafter.

It is estimated that the authorized increases in freight and passenger rates, as applied to 1941 traffic, would increase this Company's Gross Revenues by $3,500,000.

Financial

The capital stock held by the public was $163,330,300, a decrease of $152,500, and represented 76.05 per cent. of outstanding capitalization. On December 31, 1941, the Company's stockholders numbered 13,826.

The funded debt held by the public was $51,446,532, a decrease of $291,000, and represented 23.95 per cent. of capitalization so held.

Securities in the voluntary sinking fund for retirement of funded debt had a par value of $1,106,300 and a market value of $1,343,833.

Railway Property Investment

The Railway Property Investment was $545,094,423, an increase over 1940 of $16,067,260, of which $4,395,810 covered net increase in investment in various additions and improvements to roadway, structures and shop machinery and $8,401,753 covered net increase in investment in new rolling equipment.

Additions And Betterments

The more important additions and betterments consisted of construction of spur tracks into West Virginia and Kentucky to reach substantial bituminous coal deposits; laying 103.82 miles of track with 131-lb. rail, making a total of 2,759.43 miles of track laid with 130-lb. or heavier rail; replacement of existing bridges with new or rebuilt structures; installation of position light automatic signals; and elimination of grade crossings.

At Sewalls Point, Va., work was completed on a new concrete and steel warehouse for use in connection with import, export and coastal traffic. Construction of a revolving Gantry crane was nearing completion. At Roanoke, Va., substantial progress was made in the expansion of West End Yard, including classification tracks, hump yard and engine terminal facilities. At Portsmouth, Ohio, construction of additional terminal facilities to expedite traffic movement and reduce operating costs was in progress.

New Equipment

During the year the Company built, in its shops at Roanoke, Va., 4 steam passenger locomotives, 30 covered hopper cars and 82 work equipment cars, and modernized 11 heavy Mallet freight locomotives by application of cast steel beds and roller bearings, and purchased and placed in service 1,763 freight train cars, 50 passenger train cars, 20 all-steel dump cars, 4 locomotive cranes and 15 automobiles and trucks.

New Industries

Eighty-six new industries were located on the Company's lines during 1941, with a total capitalization of $65,379,197, and employment of 8,310 persons. One hundred and thirty-four established plants were expanded at a cost of $69,023,596 and employing 22,936 persons.

Service To The Nation

Since September, 1939, the Company has expended and authorized more than $60,000,000 for the construction and purchase of new cars and locomotives, expansion of yards at Norfolk and Roanoke, Va., Bluefield, W. Va., and Portsmouth, Ohio, key terminals on the system, for new and reconstructed bridges, renewals of rail, modernization of automatic block signal and communications systems and interlocking plants, and overhauling vital freight and passenger equipment. The Company has met all military and civilian transportation demands during this period, and will continue to do so if provided with adequate materials for maintenance purposes and for new equipment as needed.

W. J. JENKS,
President.

Calendar of New Security Flotations

OFFERINGS

PET MILK CO.

Pet Milk Co. has filed a registration statement with the SEC for 30,000 shares of Cumulative Preferred Stock, $100 par value. The dividend rate will be supplied by amendment

Address—1401 Arcade Bldg., St. Louis, Mo.

Business—Company and its subsidiaries are engaged primarily in the manufacture and sale of evaporated milk; they also manufacture and sell certain other dairy products, including ice cream, ice cream mix, powdered milk and butter.

Underwriting—Details of underwriting arrangements will be supplied by amendment. However, the Prospectus shows that Kidder, Peabody & Co. and G. H. Walker & Co., will participate in the underwriting of the stock

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment

Proceeds—The purposes to which the proceeds from sale of the shares will be applied, will be supplied by amendment to the registration statement

Registration Statement No. 2-4963. Form A-2 (3-12-42)

Amendment filed March 24 naming the underwriters and their participation as follows:

Kidder, Peabody & Co.	14,000 shs.
G. H. Walker & Co., St. Louis	14,000 shs.
Harris, Hall & Co., Chicago	2,000 shs.

Pet Milk Co. filed an amendment to its registration statement with the SEC, stating that its 30,000 shares of cumulative preferred stock, $100 par value, would bear dividends at the rate of 4¼% per annum, and would be sold to the public at $105 per share; the underwriting commission is $3 per share. The offering date is scheduled to be Apr. 2, 1942

Offered April 2, 1942, at 105 and div.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, APRIL 11

LIPE-ROLLWAY CORP.

Lipe-Rollway Corp. filed a registration statement with the SEC for 80,000 shares $1 cumulative convertible preferred stock, $10 par, and 160,000 shares class A stock, $1 par, latter reserved for issue upon conversion of the preferred stock

Address—208 S. Gedded St., Syracuse, N. Y.

Business—Incorporated in 1924 as W. C. Lipe, Inc., on March 16, 1942, the name was changed to Lipe-Rollway Corp. Part of the proceeds of this financing is intended to be used for acquisition by the company of all or at least a majority of the outstanding stock of Rollway Bearing Co., Inc., of Syracuse, N. Y. Business of the company, including that of Rollway Bearing Co., Inc., includes the manufacture and sale of machine tools, reamers, cutters, clutches, clutch parts, bearings, etc.

Underwriter—Barrett Herrick & Co., Inc., New York, is the sole underwriter

Offering—The preferred stock will be offered to the public at $14 per share; the underwriting commission is $2.10 per share

Proceeds will be used in part to acquire all or as many shares as possible of the outstanding capital stock of Rollway Bearing Co., Inc., the balance will be used for additional working capital

Registration Statement No. 2-4971. Form A-2. (3-23-42)

TUESDAY, APRIL 14

VINCO CORPORATION

Vinco Corporation has filed a registration statement with the SEC for 104,000 shares common stock, $1 par

Address—Detroit, Mich.

Business—Engaged in manufacture and sale of hardened and ground tools and gauges, including lapped high precision gauges and tools, involute spline gauges, master gears, gear tooth gauges and index plates, which now comprise the major portion of the company's business

Offering—The shares registered will be initially offered by the company to holders of its common stock for subscription, pro rata, in ratio of 2 shares for each 3 shares held; such of the shares are not issued upon exercise of the subscription rights, will be sold to the public. The stock of record date, subscription price per share and expiration date of the subscription offer, and the public offering price, will be supplied by amendment

Underwriting—A. M. Kidder & Co., New York, is the sole underwriter

Purpose—Net proceeds will be initially added to working capital, to be used principally to meet the increased demand for working funds which has resulted from expansion of company's business and the further expansion of company's business expected to occur upon completion of the plant, construction of which is now contemplated by company as agent for Defense Plant Corp.

Registration Statement No. 2-4972. Form A2 (3-26-42)

SATURDAY, APRIL 18

BELLANCA AIRCRAFT CORP.

Bellanca Aircraft Corp. filed a registration statement with the SEC for 57,412 shares common stock, $1 par. Further details as to the financing, including details of distribution, application of proceeds, underwriters, if any, etc., are to be supplied by amendment to registration statement. SEC withheld much of material filed by company, presumably in conformity with military censorship policy

Registration Statement No. 2-4975. Form S-2 (3-30-42)

HONOLULU RAPID TRANSIT CO., LTD.

Honolulu Rapid Transit Co., Ltd., has filed a registration statement with the SEC for 75,000 shares of 6% cumulative convertible preferred stock, $10 par; and 75,000 shares common stock, $10 par, latter reserved for issuance on conversion of the preferred stock

Address—1140 Alspai St., Honolulu, Hawaii

Business—Company is a public utility engaged in providing urban transportation service to the city of Honolulu, rendered by trolley coaches and gasoline buses

Underwriting—None

Offering—The preferred stock is offered to company's common stockholders of record April 30, 1942, for subscription at $10 per share, on the basis of three shares of preferred stock for each five shares of common stock, to be evidenced by transferable warrants which expire May 29, 1942. Such of the preferred stock not subscribed to on or before May 29, 1942, or not sold on or before June 30, 1942, will be retained by the company, subject to issue and sale, either at private or public sale, at not less than $10 per share

Proceeds will be applied to reduction of outstanding bank loans, aggregating $1,650,000

Registration Statement No. 2-4973. Form S-2 (3-30-42)

HYGRADE SYLVANIA CORP.

Hygrade Sylvania Corp. filed registration statement with SEC for 50,000 shares 4½% cumulative convertible preferred stock, $40 par; and 105,000 shares common stock, no par, the latter reserved for conversion of the preferred stock

Address—60 Boston St., Salem, Mass.

Business—Engaged in manufacture and sale of electric incandescent lamp bulbs, radio receiving tubes, fluorescent lamps and fixtures, and other electronic products and certain chemical products directly or indirectly related to the foregoing. Regular and special products, to a large and increasing extent, are being supplied to the military services and for other war uses

Underwriters of the preferred stock, and the number of shares which each has agreed to underwrite, are as follows:

Jackson & Curtis, Boston	14,000
Lee Higginson Corp., Boston	10,000
Estabrook & Co., Boston	7,500
Merrill Lynch, Pierce, Fenner & Beane, New York	7,400
Putnam & Co., Hartford, Conn.	2,000
Hale, Waters & Co., Inc., Boston	1,600
Graham, Parsons & Co., New York	1,500
Whiting, Weeks & Stubbs, Inc., Boston	1,500
Yarnall & Co., Philadelphia	1,000
Minsch, Monell & Co., Inc., New York	1,000
Brush, Slocumb & Co., San Fran.	500
Herbert W. Schaefer & Co., Balt.	500
Stein Bros. & Boyce, Baltimore	500
Van Alstyne, Noel & Co., New York	500
Wyeth & Co., Los Angeles	500

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment to registration statement. The underwriting commission is $2 per share

Proceeds will be used for additional working capital

Registration Statement No. 2-4974. Form A2 (3-30-42)

ONTARIO NICKEL CORP., LTD.

Ontario Nickel Corp., Ltd., filed a registration statement with the SEC for 2,400,000 shares common stock, $1 par

Address—372 Bay St., Toronto, Canada

Business—This mining company owns six lease patents of mining claim in Strathy Township, Ontario, which is inactive at present. Also, holds an option to purchase certain mining properties in the Sudbury District, Ontario. Company plans to dismantle a portion of the mining plant set up on the Strathy property and move it to the Sudbury property and to produce nickel concentrates from the ore contained in the Sudbury ground, which will be marketed

Underwriting and Offering—The common stock will be sold to the public at the market, by George H. Johnson, Toronto

Proceeds will be used for development work, purchase of machinery and equipment, and for working capital

Registration Statement No. 2-4976. Form S-3 (3-30-42)

SUNDAY, APRIL 19

CANADA DRY GINGER ALE, INC.

Canada Dry Ginger Ale, Inc., filed a registration statement with the SEC for: 25,173 shares $5.50 cumulative convertible preferred stock, no par; an indeterminable number shares common stock $5 par (including Scrip Certificates for fractions of shares), to be reserved for issuance on conversion of the preferred; and Subscription Warrants (Full and Fractional) evidencing, in the aggregate, rights to subscribe for such 25,173 shares of preferred stock

Address—100 E. 42nd St., New York, N. Y.

Business—Engaged, directly or through subsidiaries, in the manufacture and distribution of ginger ale and other carbonated beverages in the U. S. and Canada, and in the distribution, and to a small extent the manufacture, of alcoholic beverages in the U. S.

Underwriting and Offering—The preferred stock will first be offered to company's common stockholders for subscription, in the ratio of one share of preferred for each 24 shares of common stock held. The stock of record date, date of expiration of the subscription offer, and the subscription price per share, will be supplied by amendment

The unsubscribed portion of such 25,173 shares preferred stock will be underwritten and offered to public, at a price to be supplied by amendment; underwriters are Union Securities Corp., New York, and Hornblower & Weeks, New York

Proceeds will be used to pay outstanding $1,100,000 bank loans, balance for working capital

Registration Statement No. 2-4977. Form A2 (3-31-42)

CARPENTER PAPER CO.

Carpenter Paper Co. filed a registration statement with the SEC for 5,000 shares of common stock, $1 par value

Address—Ninth & Harney Sts., Omaha, Neb.

Business—Company is engaged in the warehousing for sale at wholesale of paper and paper products of various description, distributed in 17 States west of the Mississippi River.

Underwriting—None

Offering—The 5,000 shares of common stock are being offered only to a group of officers and employees of the company, approved by the Board of Directors, at not more than $23 per share.

Proceeds will be used for working capital

Registration Statement No. 2-4978. Form A-2. (3-31-42)

INSURANCE INVESTORS FUND, INC.

Insurance Investors Fund, Inc., filed a registration statement with the SEC for an aggregate of $500,000 of cumulative periodic investment trust certificates and single total payment investment trust certificates

Address—824 Insurance Bldg., Seattle, Wash.

Business—This investment trust purchases stock of certain insurance companies, which is held by tho trustee in a pooled fund Holder of a certificate in the fund receives in cash, at the end of ten years, the value of his proportionate interest in the fund as it then stands

Underwriting and Offering—The certificates wil be offered to the public by the company, at the market

Proceeds will be used for investment purposes

Registration Statement No. 2-4980. Form C-1. (3-31-42)

INSURANCE SECURITIES, INC.

Insurance Securities, Inc., has filed a registration statement with the SEC for participating agreements upon the single payment plan, series T, and accumulative plan, series D, in the face amount of $1,750,000, being the maximum aggregate deposits to be made thereunder

Address—416 13th St., Oakland, Cal.

Business—It is the purpose of this investment trust to sponsor a trust fund which provides a vehicle for investment both by smaller and larger investors in the common stocks of a group of 35 of the leading insurance companies in the United States

Underwriting and Offering—The participating agreements will be sold to the public by the company, at the market

Proceeds will be used for investment purposes

Registration Statement No. 2-4979. Form C-1. (3-31-42)

SOUTHWESTERN PUBLIC SERVICE CO.

Southwestern Public Service Co. filed a registration statement with the SEC for: $18,500,000 of first mortgage and collateral trust bonds, due Feb. 1, 1972; $5,500,000 serial notes, due in equal annual amounts from Nov. 1, 1943, to Nov. 1, 1953, inclusive; and 85,000 shares of 6% cumulative preferred stock, $100 par value

Address—Dallas, Texas

Business—This company and its subsidiaries are engaged principally in the generation, transmission, distribution and sale of electricity, serving certain communities in Texas, New Mexico, Oklahoma, Louisiana, Arkansas and Arizona. Under a plan of integration and simplification proposed to be consummated under section 11 of the Holding Company Act simultaneously with the consummation of the present proposed financing, the company proposes to effectuate the following transactions: Merger of Community Power & Light Co. and General Public Utilities, Inc. (the two present parent companies of the company) into the company; liquidation of Texas-New Mexico Utilities Co.; recapitalization and partial liquidation of Gulf Public Service Co.; purchase of Panhandle Power & Light Co., Cimarron Utilities Co. and Guymon Gas Co.; and refunding of the entire outstanding funded debt of the company itself. Upon completion of the transactions involved in foregoing, it is expected that the company will have no parent

Underwriting—Dillon, Read & Co., of New York, is the principal underwriter; the names of the other underwriters will be supplied by amendment

Offering—The bonds, serial notes and 6% preferred stock, will be sold to the public, at prices to be supplied by amendment

Proceeds from sale of the new securities will be added to the company's general funds and will be applied to effectuate the various financial transactions involved in the plan of integration and simplification, and the refinancing of the company's outstanding funded debt

Registration Statement No. 2-4981. Form A-2. (3-31-42)

TUESDAY, APRIL 21

INTERNATIONAL HARVESTER CO.

International Harvester Co. filed registration statement with SEC for 225,000 shares common stock, no par

Address—180 N. Michigan Ave., Chicago, Illinois

Business—Company normally manufactures and sells four different types of products, (a) wheel and crawler type tractors and power units, (b) a wide variety of agricultural implements, (c) light and heavy duty motor trucks, and (d) miscellaneous products, principally steel and binder twine. The three principal phases of company's war effort are production of commercial types of trucks, tractors and other equipment for the Government; production of military adaptations of commercial types of these items; and production of totally new products for military purposes

Underwriting—Clark, Dodge & Co., New York, and Lee Higginson Corp., Chicago, are the principal underwriters; names of other underwriters will be supplied by amendment

Offering—The shares registered are already outstanding and are to be offered to the public for the account of following stockholders: Administrators of the Estate of Mary Virginia McCormick, deceased, 150,100 shares; Executors of the Estate of Harold F. McCormick, 74,900 shares. Public offering price by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4982. Form A-2. (4-2-42)

WEDNESDAY, APRIL 22

SHENANGO VALLEY WATER CO.

Shenango Valley Water Co. filed registration statement with SEC for 7,000 shares 5% cumulative preferred stock, $100 par

Address—Sharon, Pa.

Business—This subsidiary of Consumers Water Co. supplies water service principally in the city of Sharon, Mercer County, Pa.

Underwriting and Offering—The 5% preferred stock will first be offered to holders of the outstanding 6% preferred stock, in an exchange offer, details of which will be supplied by amendment. Such of the shares of 5% preferred as are not issued under the exchange offer will be underwritten and sold to the public, at a price to be supplied by amendment. H. M. Payson & Co., Portland, Me., is the principal underwriter; names of the other underwriters will be supplied by amendment

Proceeds will be used to redeem all of the outstanding unexchanged 6% preferred stock, to pay the cash adjustment called for by the offer of exchange, to pay whole or part of outstanding $236,000 of notes payable of company, and to provide funds for completion of plant additions and improvements

Registration Statement No. 2-4983. Form A-2. (4-3-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10 1941, 9,000 shares at $54.25 per share

Amendments filed Nov. 21, Dec. 8, and Dec. 26, 1941, to defer effective date

Amendments filed Nov. 21, Dec. 8, Dec 26, 1941, Jan. 12, Jan. 29, Feb. 7, Feb. 16 and March 5, 1942 to defer effective date

AMPCO METAL, INC.

Ampco Metal, Inc., has filed a registration statement with the SEC for 166,667 shares common stock, $2.50 par

Address—Milwaukee, Wis.

Business—Company is engaged principally in the production and sale of aluminum bronze; also produces and sells a companion line of other bronzes, and furnishes other non-ferrous alloys meeting certain specifications

Underwriting—Van Grant & Co., Detroit, Mich., is the principal underwriter; names of the other underwriters will be supplied by amendment. Underwriting commission is $1.50 per share

Offering—The common stock registered will be offered to the public at a price of $7.50 per share

Proceeds will be applied as follows: $319,000 to pay for certain equipment and tools; $50,000 to payment of outstanding bank loan; purchase of $500,000 principal amount of U. S. Government tax anticipation notes, and balance for working capital

Registration Statement No. 2-4969. Form S-2. (3-18-42)

ATLANTIC CITY ELECTRIC CO.

Atlantic City Electric Co. filed a registration statement with the SEC for 62,000 shares of Cumulative Preferred Stock, $100 par; dividend rate will be furnished by amendment

Address—Atlantic City, N. J.

Business—This subsidiary of American Gas & Electric Co. is engaged in the generation, transmission, distribution and sale of electric energy in the southern part of New Jersey, including Atlantic City, and is also engaged in furnishing hot water heating service in a limited area in Atlantic City and steam for heating to two customers at its Atlantic City plant. About 99% of gross revenues are derived from electric service

Underwriting and Offering—As soon as practicable after the registration statement becomes effective, company proposes publicly to invite proposals for purchase of 49,000 shares of the new preferred stock, under competitive bidding rule of Holding Company Act. Provision is made that the remaining 13,000 shares of new preferred stock registered will be offered under an Exchange Offer, as follows: holders of the 26,283 shares of $6 preferred stock held by the public will be entitled to receive one share of new preferred stock for each share of $6 preferred stock exchange, plus an amount in cash per share equal to the excess of the redemption price of $120 per share of the $6 preferred stock, plus accrued dividends to the date of redemption, over the initial public offering price of the new preferred stock. The exchange offer will expire not later than the fifth day after such offer is made. Should holders of the $6 preferred stock held by the public take more than 13,000 shares of new preferred stock under the Exchange Offer, then the number of shares of new preferred stock to be sold under competitive bidding will be reduced by such excess; and if less than 13,000 shares of new preferred are taken under the Exchange Offer, then the successful competitive bidders will have the option to purchase the additional shares represented by such deficiency at the same price per share as they have bid for the other shares

Public offering price, and the names of the underwriters, will be supplied by amendment

Proceeds from sale of the 62,000 shares new preferred stock, plus a capital contribution in cash of $2,500,000 to be made to company by American Gas & Electric Co., the parent company, will be used for following purposes: $3,059,200 to purchase from American Gas & Electric Co. 30,592 shares of $6 preferred stock (at its cost); $3,153,960 to be deposited with the redemption agent, for the redemption of 26,283 shares of $6 preferred stock (to be called for redemption at $120 per share), outstanding in the hands of the public; $2,500,000 to discharge open account indebtedness to American Gas & Electric Co.; and the balance for corporate purposes

Registration Statement No. 2-4941. Form A2 (2-2-42)

Registration Effective 12:30 p.m. E. War Time on Feb. 14, 1942.

Public Invitation for Proposals—No bids were received Feb. 24 for the issue. Groups formed to compete for the shares withdrew in the face of the general market uncertainty.

AXTON FISHER TOBACCO CO.

Axton Fisher Tobacco Co. filed a registration statement with the SEC for aggregate of 149,944 shares 5% cumulative prior preferred stock, $25 par.

Address—Louisville, Ky.

Business—Engaged in the manufacture of cigarettes (Clown, Spud, and Twenty Grand) and various brands of smoking and chewing tobaccos.

Offering—The 149,944 shares new preferred stock will be issued under a plan of recapitalization, as follows: (1) 56,544 shares in exchange for 14,136 shares outstanding 6% preferred stock on basis of 4 shares new preferred stock plus $17.25 cash for one share of old 6% preferred stock; (2) 54,558 shares in exchange for 45,465 shares outstanding Class A common stock on basis 1 1/5 shares new preferred stock plus $16 cash for one share Class A common stock; and (3) 38,852 shares will be sold first to stockholders of company other than Transamerica Corp., parent company, at $25 per share, with the unsubscribed portion to be sold to Transamerica Corp. at same price. The cash payments in (1) and (2) exchange offers represent unpaid cumulative dividends to Dec. 31, 1941; in connection with offering under (3) above, a cash offer is also to be made in an amount necessary to cover cash payments in the above exchange offers.

Registration Statement No. 2-4947. Form A2 (2-13-42—San Francisco)

Amendments filed Feb. 27 and March 16, 1942, to defer effective date

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission 15%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

Amendments filed Dec. 3, Dec. 31, 1941, Jan. 19, Feb. 25 and March 12, 1942, to defer effective date

CALIFORNIA DE-TINNING CORP.

California De-Tinning Corp. filed a registration statement with the SEC for 234,000 shares of $1 par common stock

Address—Los Angeles, Cal.

Business—Company is engaged in the reclaiming and processing of tin

Underwriters—Quincy Cass Associates

Offering—The common stock will be offered to the public at $1 per share

Proceeds will be used to pay for organization expenses, a detinning plant and for working capital

Registration Statement No. 2-4956. Form A1 (3-2-42—San Francisco)

Calendar of New Security Flotations

CELANESE CORPORATION OF AMERICA

Celanese Corporation of America filed a registration statement with the SEC for $7,522,000 of 3½% Convertible Debentures, due March 1, 1962, and an indeterminable number of shares of no par common stock (including scrip certificates for fractions of shares), latter to be reserved for issue upon conversion of the Debentures

Address—180 Madison Ave., New York

Business—Principal business of company is the manufacture and sale at wholesale of cellulose acetate yarns and fabrics containing such yarns under the registered trademark "Celanese" and under other trademarks owned by the company

Underwriting and Offering—The debentures will first be offered to company's common stockholders, via subscription rights, for subscription at the rate of $1,000 principal amount of the Debentures for each 183 shares of common stock held of record on the effective date of the registration statement. The subscription price per share will be supplied by amendment. The Subscription Warrants will be exercisable on or before 3 p.m. Eastern War Time on April 6, 1942. Such of the Debentures as are not subscribed for under this offer, will be sold to the public through underwriters, at a price to be supplied by amendment.

Names of the underwriters, and the maximum amount of the Debentures to be underwritten by each, are:

Dillon, Read & Co., New York	$1,222,000
Glore, Forgan & Co., New York	700,000
A. C. Allyn & Co., Inc., Chicago	50,000
A. G. Becker & Co., Inc., Chicago	75,000
Blyth & Co., Inc., New York	300,000
Alex Brown & Sons, Baltimore	125,000
Central Republic, Inc., Chicago	75,000
R. S. Dickson & Co., Inc., Charlotte, N. C.	50,000
Equitable Securities Corp., New York	50,000
Estabrook & Co., Boston	75,000
First Boston Corp., New York	450,000
Graham, Parsons & Co., Philadel.	50,000
Harriman Ripley & Co., Inc., New York	300,000
Harris, Hall & Co., Inc., Chicago	75,000
Hayden, Miller & Co., Cleveland	75,000
Hayden, Stone & Co., New York	75,000
Hemphill, Noyes & Co., New York	200,000
Hornblower & Weeks, New York	125,000
W. E. Hutton & Co., New York	75,000
Kebbon, McCormick & Co., Chicago	50,000
Kidder, Peabody & Co., New York	200,000
W. C. Langley & Co., New York	150,000
Lee Higginson Corp., New York	150,000
Lehman Bros., New York	350,000
Laurence M. Marks & Co., New York	75,000
Mellon Securities Corp., Pittsburgh	350,000
Merrill Lynch, Pierce, Fenner & Beane, New York	250,000
F. S. Moseley & Co., Boston	75,000
Otis & Co., Cleveland	75,000
Riter & Co., New York	150,000
E. H. Rollins & Sons, Inc., N. Y.	125,000
Salomon Bros. & Hutzler, N. Y.	125,000
Shields & Co., New York	300,000
Smith, Barney & Co., New York	300,000
Tucker, Anthony & Co., Boston	75,000
Union Securities Corp., New York	200,000
White, Weld & Co., New York	150,000
Whiting, Weeks & Stubbs, Inc., Boston	50,000
The Wisconsin Co., Milwaukee	125,000
Dean Witter & Co., San Francisco	50,000

Proceeds—Purpose or purposes to which the proceeds will be applied, are to be supplied by amendment

Registration Statement No. 2-4962. Form A-2 (2-11-42)

Offering Deferred—Company announced March 25 that it had postponed for the time being offering to holders of common stock of proposed bond issue, due to problem arising in connection with British stockholders

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s 1952; $4,750,700 Deb. 5s, due April 15 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2 (4-10-41)

Amendments filed Nov. 18, Dec. 6, Dec 24, 1941, Jan. 12, Jan. 31, Feb. 19 and March 10, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. **Further details to be supplied by post-effective** amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendments filed Nov. 27, Dec. 15, 1941, Jan. 2, Jan. 20, Feb. 6, Feb. 24 and March 13, 1942, to defer effective date

GILLHAM MINING CO., INC.

Gillham Mining Co., Inc., filed a registration statement with the SEC for 5,000 shares common stock, no par value

Address—30 No. La Salle St., Chicago, Ill.

Business—Engaged in the mining of antimony ore in Mineral Township, Sevier County, Arkansas

Underwriting and Offering—The 5,000 shares of common stock will be sold to the public at $5 per share; no underwriting involved.

Proceeds will be used for corporate purposes, including further developing and exploring of properties now owned by the company

Registration Statement No. 2-4964. Form S-3 (2-12-42)

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business — Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Amendment filed Jan. 29, Feb. 16 and March 6, 1942 to defer effective date

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendments filed Jan. 8, Jan. 24, Feb. 2, Feb. 25 and March 14, 1942, to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock owned by parent company, at latter's cost. Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendments filed Nov. 26, Dec. 15, 1941, Jan. 2, Jan. 21, Feb. 7, Feb. 26 and March 16, 1942, to defer effective date

Illinois Commercial Telephone Co. on March 19, 1942, filed an amendment to its registration statement disclosing that it now proposes to offer to the public $5,750,000 first mortgage 3½% bonds, due March 1, 1972. Previously, in original registration statement filed on Oct. 24, 1941, company had proposed to sell $5,750,000 of first mortgage 3⅜% bonds, due 1971, and 24,000 shares of $5 cumulative preferred stock, no par value

Proceeds from sale of the $5,750,000 of first mortgage 3½% bonds, due 1972, together with other funds of the company, are to be used to retire the outstanding $5,750,000 of first mortgage series A 3¾% bonds, due 1970

Underwriters of the 3½s of 1972, and the principal amount which each has agreed to underwrite, are: Bonbright & Co., New York, $2,875,000; Paine, Webber & Co., New York, $2,156,000; Mitchum, Tully & Co., Los Angeles, Cal., $719,000

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill.

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co and Chesapeake & Potomac Telephone Co of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2 (12-6-41)

Amendments to defer effective date filed Dec. 22, 1941, Jan. 9, Jan. 27, Feb. 14 and March 2, 1942

KLINE BROTHERS COMPANY

Kline Brothers Co. filed a registration statement with the SEC for $322,300 of 5% sinking fund notes, due May 1, 1952, and registration statement for certificates of deposit to be issued to holders of outstanding 5% notes of company, under plan of exchange

Address—132 W. 31st St., New York, N.Y.

Business—Operates 19 retail department stores located in various cities in Illinois, Michigan, Ohio, Iowa, Missouri, Pennsylvania and Georgia, selling merchandise of the character generally sold in small department stores

Offering—The new 5% notes will first be offered, par for par, in exchange for the outstanding 5% notes due Dec. 31, 1943, and May 1, 1944; latter noteholders, depositing under the exchange plan, will receive equal amount of certificates of deposit. Such of the new notes not issued in exchange for the outstanding 5% notes, will be sold to public, at 100 and accrued interest

Underwriting — Illinois Securities Co., Joliet, Ill., is the underwriter of the notes not issued under exchange plan

Proceeds will be used to retire all outstanding 5% notes of company

Registration Statements No. 2-4966 (D-1A, covering certificates of deposit) and 2-4967 (A2, covering new notes). (3-16-42)

LIBERTY AIRCRAFT PRODUCTS CORP.

Liberty Aircraft Products Corp. filed registration statement with SEC for 60,000 shares Cumulative Convertible Preferred Stock, no par (dividend rate to be supplied by amendment), and 120,000 shares $1 par value common stock, latter to be reserved for issuance upon exercise of conversion rights of the preferred stock

Address—Farmingdale, N. Y.

Business—Engaged in manufacture and processing of parts and equipment for aircraft to customers' specifications, upon order. Owns about 50% of the outstanding common stock of The Autocar Co., which is engaged chiefly in the manufacture and sale of medium and heavy-duty motor trucks

Offering—The preferred stock will be offered to the public at a price to be supplied by amendment; the proposed maximum offering price, based on the SEC filing fee, is $25 per share

Underwriting—E. H. Rollins & Sons, Inc., New York, is named principal underwriter; names of the other underwriters will be supplied by amendment.

Proceeds will be used to the extent of $900,000 toward part payment of outstanding bank loans, and the balance will be added to working capital

Registration Statement No. 2-4934. Form A2 (1-28-42)

Amendments filed Feb. 26 and March 14, 1942, to defer effective date

LINK-BELT CO.

Link-Belt Co. filed a registration statement with the SEC for 33,604 shares common stock, no par value

Address—307 N. Michigan Ave., Chicago, Ill.

Business—Company is engaged, normally, in the design, manufacture, sale and erection of elevating, conveying, material preparation and power transmission machinery and the manufacture and sale of castings

Underwriting and Offering—The shares registered are held by the company in its treasury, and are to be offered only to a selected group of officers and employees of the company at $26.48 per share

Proceeds of $888,600 will be used to reimburse the treasury of the company for the moneys expended by it in the acquisition of such shares, and to provide funds for additional working capital

Registration Statement No. 2-4960. Form A-2 (3-10-42)

MILLER TOOL & MFG. CO.

Miller Tool & Manufacturing Co. has filed a registration statement with the SEC for 92,792 shares of common stock $1 par value

Address—Detroit, Mich.

Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry

Underwriters—Baker, Simonds & Co. is named the principal underwriter

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is $4.20 per share

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

Amendments filed Jan. 10, Jan. 26, Feb 11, Feb. 28 and March 16, 1942, to defer effective date

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding by North American Light & Power Co and are to be offered to public for the account of American Light & Power Co

The 355,250 additional shares orginally registered with the SEC on April 21, 1941 for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary

PUBLIC SERVICE CO. OF INDIANA, INC

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

Business—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Underwriting and Offering—The bonds will be sold under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters, and public offering price, will be supplied by post-effective amendment to registration statement

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1969, at 106½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

No bids for the purchase of the bonds were received on Dec. 16, 1941

Registration Statement No. 2-4893. Form A2. (11-22-41)

Effective—10 a.m. E.S.T. on Dec. 6, 1941

SOUTH CAROLINA INSURANCE CO.

South Carolina Insurance Co. registered with SEC 12,500 shares common stock, $8 par value

Address—1400 Main St., Columbia, S. C.

Business—Engaged principally in the writing of fire insurance

Underwriting and Offering—The shares will first be offered for subscription to present stockholders, under their preemptive rights, at price of $16 per share. Unsubscribed portion of such shares will be offered to public at $18 per share, within 30 days after effective date of registration statement. Underwriters will be named by amendment; underwriting commission will be $2 per share

Proceeds will go directly to capital ($100,000) and the residue to surplus. Company deems it essential to comply with laws of New York State, soon to become effective requiring a minimum capital of $250,000 and with the laws of Massachusetts requiring a minimum capital of $300,000

Registration Statement No. 2-4898. Form A2. (11-27-41)

Amendments filed Dec. 16, 1941, Jan. 3, Jan. 22, Feb. 10 and Feb. 27, 1942, to defer effective date

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb. 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed March 2, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2 (3-30-40)

Amendments filed Nov. 25, Dec. 13, Dec. 31, 1941, Jan. 19, Feb. 7, and Feb. 26, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed March 10, 1942, to defer effective date

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Rea Resigns As Head Of NY Curb Exchange

George P. Rea tendered his resignation as President of the New York Curb Exchange at a special meeting of the Board of Governors held on April 7. The resignation was accepted by the Board with expressions of regret and of deep appreciation of Mr. Rea's service to the Exchange. It becomes effective June 30, 1942.

In presenting his resignation Mr. Rea laid stress on the need for a continued drastic reduction of expenses under present circumstances both for the welfare of the Curb Exchange as an institution and in the interests of the individual members.

The Board of Governors adopted the following resolution:

> *Resolved:* that this Board accepts with regret the resignation of Mr. George P. Rea as President of the Exchange which he has tendered to it upon the conclusion of three years of service in that office;
>
> *Resolved further:* that this Board hereby expresses to Mr. Rea its deep appreciation for the energy and diligence which he has devoted to the discharge of the duties of his office during the difficult times through which he has served.

Mr. Rea was elected President of the Curb Exchange on April 20, 1939. Under his administration the executive work of the Exchange was centered in departmental staffs while committees of the membership exercised supervisory control over policy. Economies effected by the departmental organizations have reduced the operating costs by more than $400,000 a year, said the Exchange announcement which added:

> As President of the Curb Exchange Mr. Rea also established himself as a leader in the efforts to improve the condition of the securities industry. He took an outstanding part in the work of drafting the proposals for amendment of securities and exchange legislation which are now before Congress, in the movement for revision of the capital gains tax, and in development of new methods of trading and of the promotion of the securities business. Simultaneously, through his own frequent appearances as a speaker and through an active promotional policy in the Exchange, he sought to build a better understanding by the public of the service of the exchanges.

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Republic Of Chile External Bonds

(Continued from page 1426)

market cost of purchasing these bonds much exceeded $500,000. Even after allowing for $7,000,000 which the Amortization Institute advanced to the Government under the Earthquake Relief Law previously referred to and the probable cost of the bonds bought in the market in 1941, the amortization account must still have a balance of approximately $5,800,000. Consequently, since it is the stated policy of the Chilean Government to continue amortization, it is possible that purchases in the open market in 1942 will be at a higher rate. This would naturally strengthen the position of the remaining outstanding bonds.

Of the $9,486,000 received by the Amortization Institute in 1941, $2,639,000 represented its share (25%) of the profits of the Nitrate & Iodine Sales Corporation, state controlled, and $6,667,000 represented copper taxes. Although no great increase is expected in the profits of the nitrate business due to the large plant capacity in this country for the production of synthetic nitrates, these profits should at least be maintained during the war. A good increase is expected in 1942 in the receipts from copper taxes, however, due both to peak production on the parts of Anaconda and Kennecott, the principal producers, and to probable higher rates of taxation which are expected to be in force during the year.

Under these circumstances, all external bonds of the Republic of Chile are considered to be attractive speculations. In the following tabulation, only the assented bonds are listed; the unassented bonds sell approximately 1½ points higher than the assented bonds since they are entitled to collect the $15.58 payment which was paid on the assented coupons if they are deposited before the end of 1942.

	Outstdg. Million Dollars	Last Coupon Paid	Price Range 1941-1942	Current Market
REPUBLIC OF CHILE—				
7s, Nov. 1, 1942	10.0	5- 1-38	16½-13	14¼
6s, Apr. 1, 1960	23.2	4- 1-38	16½-12⅞	14¼
6s, Feb. 1, 1961	14.5	2- 1-38	16½-12⅞	14¼
6s, Jan. 1, 1961 (Ry.)	19.9	7- 1-38	16½-13¼	14¼
6s, Sept. 1, 1961	8.2	3- 1-38	16¼-13¼	14¼
6s, Mar. 1, 1962	5.6	3- 1-38	15½-13	14
6s, May 1, 1963	14.4	5- 1-38	16 -13	14
GOVERNMENT GUARANTEED—				
Mortgage Bank of Chile—				
*6s, Dec. 31, 1931	4.3	No. 13	14 - 8	13½
6½s, June 30, 1957	10.0	6-30-38	15½-12⅝	13¼
6s, April 30, 1961	9.4	4-30-38	15½-12¾	13⅝
6¾s, June 30, 1961	6.1	6-30-38	15½-13	13¼
Chilean Consol. Munic.—				
7s, Sept. 1, 1960	8.3	9- 1-38	14 - 8½	14
Santiago, City of—				
7s, Jan. 2, 1949	2.1	7- 2-38	14½- 8¾	14
7s, May 1, 1961	1.4	5- 1-38	---------	--

*Agricultural notes.

Hall With R. D. White

R. D. White & Co., 120 Broadway, New York City, announce that Denton D. Hall is now associated with them. Mr. Hall in the past was with Adams, McEntee & Co.

La Branche To Admit

La Branche & Co., 50 Broadway, New York City, members of the New York Stock Exchange, will admit Cornelia Ely Wood to limited partnership in the firm as of April 16th.

COLOMBIANS

Govt. 3s, 1970 & scrip—4s, 1946
Antioquia 7s, 1945 & 7s, 1957
Barranquilla 4s, 1964 & scrip
Bogota 6½s & 8s Caldas 7½s Cauca 7s & 7½s
Cundinamarca 6½s Medellin 6½s & 7s
Santander 7s Tolima 7s

Bought — Sold — Quoted

FULLER, CRUTTENDEN & COMPANY
Members Chicago Stock Exchange
209 South La Salle St., Chicago · Telephone Dea 0500 · Teletype CG-35

To Stop Output Of Consumer Durables

Donald M. Nelson, War Production chief, said on April 7 that production of most consumer durable goods will be stopped by May 31 and he revealed that orders will be issued soon halting most private building construction and prohibiting the use of iron and steel in hundreds of items.

He added that other orders providing for the virtual cessation of consumers' durable industries using critical metals will also be issued in the near future, explaining that conversion to all-out war effort is required.

"We're taking away from the people things which make the standard of living," Mr. Nelson said, according to the Associated Press, in his discussion of the changes at a press conference, "but this is the way of total all-out war and the price of early victory."

Asserting that industry's conversion to war production is progressing rapidly, Mr. Nelson disclosed that March military expenditures were in excess of $3,000,000,000, with $2,500,000,000 representing munitions. This was a three-fold increase over March a year ago, he said, adding that it is at the rate of $30,000,000,000 a year, or nearly on a par with the output of the nation's entire peacetime economy in the depression year of 1932.

Bonbright Suspends For The Duration

Bonbright & Co., 1 Wall Street, New York City, have announced the firm will suspend its business "for the duration" on April 30, since a majority of the firm's partners and a number of its employes are now engaged in or planning to enter the war effort. The partnership, composed of Sidney A. Mitchell, Pearson Winslow, Gail Golliday, August Belmont, and Pierson M. Tuttle, will not be dissolved at this time, however.

The firm, which has been active in the underwriting and industrial financing field, will, it is understood, complete the offering of bonds of the Illinois Commercial Telephone Company, with Paine, Webber & Co. and Mitchum, Tully & Co., before suspending operations.

Interest On Rio 6s

The City of Rio de Janeiro, Federal District of the United States of Brazil, has remitted to its special agents funds for the payment of interest for the six months ended April 1, 1940 on its five-year 6% external secured gold bonds due April 1, 1933, at the rate of $4.1925 per $1,000 bond or 13.975% of the dollar amount of such interest. The announcement also states:

> These funds have been remitted in accordance with provisions of Presidential Decree No. 23829 of Feb. 5, 1934, as reenacted and modified by Decree Law No. 2085 of March 8, 1940.
>
> Cash payment at this rate, to be in full payment of the interest due April 1, 1940, is now being made upon presentation of the bonds at the offices of the special agents, White, Weld & Co., 40 Wall Street, New York, or Brown Brothers Harriman & Co., 59 Wall Street, New York.

Levy To Admit Cresci

Robert P. Cresci will shortly become a partner in Robert J. Levy & Co., 25 Broad Street, New York City, members of the New York Stock Exchange. It is proposed that Mr. Cresci act as alternate on the floor of the Exchange for Harold B. Blumenthal.

Merck & Co., Inc.
(common & preferred)
Brown & Sharpe
World's Fair 4s, 1941
Merrimac Mfg. Co.
United Cigar-Whelan
Evans Wallower Zinc
Mexican Internal & Ext'l Bonds

M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1397

S. A. Bowlin To Open Thompson Ross Dept.

CHICAGO, ILL.—Seaton A. Bowlin has become associated with Thompson Ross Securities Co., 39 South La Salle Street, and will open and manage a municipal bond department for the firm, Thompson Ross, President of the firm, announced. Mr. Bowlin has been in the municipal bond business in Chicago and the Middle West for the past 17 years; he was recently a partner of Tagwerker & Co. here, and was with John J. Seerley & Co. and Kneeland & Co. The new department will handle general market municipals and participate in offerings and underwritings. It will specialize in Middle Western issues.

George E. Wright, formerly with Lowell Niebuhr & Co. and David A. Noyes & Co., has also become affiliated with Thompson Ross Securities Co.

Trade Bd. Urges Stock Transfer Tax Revision

Appealing again to Governor Lehman and to the members of the State Legislature to save New York's capital market industry, Marshall W. Pask, Chairman of the Securities, Commodities and Banking Section, of the New York Board of Trade, pointed out on April 1 the new lows in volume and prices reached in March. In addressing Governor Lehman, Mr. Pask said:

> Reports this morning show volume of stock dealings on New York Stock Exchange for month of March at the lowest point in 20 years. The total volume for three months this year is 29,500,000, compared with 32,500,000 last year and 45,700,000 shares for 1940. Some revision of State stock transfer taxes would be definitely a step in right direction. Even so little encouragement as elimination of double tax on odd lots would have stimulating effect. Please make some move to save this industry.

In letters to Senator Frederic R. Coudert, Jr., and Assemblyman MacNeil Mitchell, and Abbot Low Moffat, as well as to the Majority and Minority Leaders in both Houses, Mr. Pask asks: "Cannot the members of this session of the Legislature see what is so plainly going on?" He points to the daily reports of low volume on the various exchanges, the softening of prices, the almost daily reports of consolidations, reorganizations, letting partners so, discharging employes, doubling up on office space and cutting down telephone service. He asks the Legislature to consider the plight of men forced to borrow from banks and life insurance companies to meet their moderate income tax returns.

He asks the Governor and the Legislature to act now to save a great American business, to preserve the best future interests of New York State, to save New York City's most valuable real estate investments, and the jobs of thousands of clerks, stenographers, printers, window-cleaners, elevator operators and a long list of other employes.

Final Edition
THURSDAY
In 2 Sections — Section 2

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FROM WASHINGTON AHEAD OF THE NEWS

The Bureaucrats' conception of their jobs these days is strikingly illustrated in a frank session which Harold Ickes had with one of his friends not long ago. He claimed to have wanted to resign when the President took up his third term on the grounds that he and the other oldsters of the Administration were incapable of giving the President any further "ideas." He needed younger men to keep feeding him "ideas," Harold contended.

I doubt very much that Harold was serious in wanting to resign but his understanding of the function of a man in his position is revealing of what official Washington runs on; not accomplishments but "ideas." It is a fact, too, that after a man gets to a certain age he is more inclined to get some work done than simply having "ideas."

Most of the New Dealers would make crackerjack newspapermen, particularly columnists. Mr. Roosevelt would make the best one of all. They exude "ideas."

The very latest gem of an idea to come from the incubator is that of Morris L. Cooke who has been knocking around in one bureaucratic job after another, for better or worse, ever since the New Deal came in. Mr. Cooke has a very "active" mind. First he was head of the Rural Electrification Administration, got into hot water there and back in the earlier days of the OPM, predecessor of the War Production Board, he was in charge of the division to help little business. Little business was never helped and the record discloses that he seemed to be devoted to organizing labor-management councils in the little businesses of the country. He also figured in the controversy which disclosed that the REA was hoarding copper while the country was supposed to be very short of copper, indeed; a controversy which has just been ended by Donald Nelson's taking the bit in the teeth and saying REA couldn't have any more copper at all. So far Nelson seems to have gotten by with that order.

More recently Cooke has been one of the small army having to do with Latin America. It was in this capacity that, just after

(Continued on page 1451)

On The Foreign Front

European Stock Markets

Holiday influences kept trading in securities to a minimum this week, on stock markets in European financial centers. Dealings were suspended on Monday, in the usual protracted observance of the Easter holiday. Events in the Far East remained perturbing, and also contributed to the subdued atmosphere of London and some of the French markets. The tone was dull everywhere as traders and investors awaited the next moves in the global war.

Dealings in London were exceptionally quiet during the latter half of last week, although trading continued on Good Friday. Various Indian securities were depressed by the Japanese attacks at Ceylon and at points on the Eastern side of the Indian Peninsula. Gilt-edged issues were generally maintained, however, and home rails also held their ground. The sessions on Tuesday and Wednesday of the current week reflected no important variation from previous dealings.

The Lyons Bourse in France was closed for four days, to mark the Easter period, and hardly any business was done. Stock levels continue to advance in French markets. There were no reports available regarding markets in the European Axis territory. An interesting commentary was afforded by a Tokio radio broadcast, Monday, which told of a sharp rise in Japanese stock prices on the basis of hopes that there will be no war with Russia.

United Nations Shipping

More pointedly than in any previous period of this war, the shipping problem looms as the real bottleneck for the far-flung war efforts of the United Nations. Washington is becoming ever more concerned about the tonnage of merchant shipping available to supply our own and other United Nations troops in the Far East, the Near East, Africa, Ireland, Iceland and other theaters of war and of troop concentration. London also, according to a week-end dispatch to the "New York Times," is more worried about the increasing losses at sea than

(Continued on page 1450)

Binders For The Convenience Of Our Subscribers

Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is $2.50 plus postage for each of these binders which is designed to hold two months' issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.

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THE FINANCIAL SITUATION

Signs of what appears to be something closely approaching political panic are increasingly evident in Washington. They are, perhaps, most plentiful on Capitol Hill, but uneasiness concerning the forthcoming elections is certainly not confined to that section of the city. The President's recent solicitous gesture toward so-called small business, the modus operandi concerning enforcement of the anti-trust laws, the putative "study" being given plans which would touch organized labor in tender spots, and the repeated complaints about criticism of the Administration would either have not been undertaken at all or would have taken rather different form if political concern had not tempered efforts to "get along" more vigorously with the war effort, particularly those parts of that effort which have to do with industrial production. As to Congress, the pre-occupation of several of its committees with exposes or alleged exposes, its agitation about corporation profits accompanied by hasty attempts at legislation concerning them, its horror stricken attitude toward international cartel dealings of the past, its reluctance, not to say its refusal, to be sidetracked concerning changes in labor legislation vigorously opposed by both the Administration and labor unions, its tendency to veer more and more toward "over-all" control of almost everything, and other tendencies of a similar sort speak for themselves. Such are the regular symptoms of political uneasiness and uncertainty.

It is highly probable that the politicians, particularly those who must face the electorate this autumn, have good cause for their present state of mind. All the usual indications strongly suggest deep dissatisfaction throughout the country with the way the war program is progressing. There are some good reasons for such dissatisfaction, and the tactics of the political strategists during recent months have, contrary presumably to their expectations, definitely tended to stimulate and strengthen that dissatisfaction. The quoque

(Continued on page 1442)

Prohibition Over Again?

The Government census figures show there are 1,700,000 retailers in the United States. They do not all deal in the same merchandise, but there is a great overlapping of items and merchandise lines as between different types of stores. The work of policing and enforcing any all-over price ceilings would be a task so tremendous that it would be foredoomed to failure. In all probability only those retail concerns which are large enough to be easy targets could be dealt with. * * *

The bane of those countries in which strict regulation of goods and prices has been attempted has been the development of "black markets." The prohibition law is a typical example of what a "black market" can be. It means, of course, that the law-abiding, responsible business concerns will conform to requirements and that the racketeers will find rich new opportunities to profit at the expense of the consumer and legitimate business. After the experience with prohibition, Washington should be particularly careful at this time not to create a new great crop of hijackers and bootleggers. —Lew Hahn, National Retail Dry Goods Association.

But a few of the vast multitude of practical difficulties which would be encountered in any such control scheme are here mentioned.

A hat may be a hat and a pair of shoes a pair of shoes, but, as every one knows, there are hats and hats, and shoes and shoes.

Real price changes in such items often take the form of reduced quality.

Can it be that our would-be regulators have given careful thought to what they are suggesting?

Urges End Of 40-Hour Week, Excess Spend'g

The 40-hour week has no place in a mobilized America fighting for its life—and should go, Frederick P. Champ, President of the Mortgage Bankers Association of America, told Pacific Coast mortgage bankers at the Association's Far West Conference and Mortgage Clinic at San Francisco on March 31. Mr. Champ further said:

> "Non-defense and non-essential government spending is indefensible. Highly controversial legislation with long-term social implications having no bearing on the war effort should be set aside. Activities that do not contribute to the main objective of winning the war should be forgotten for the duration—and will be at the insistence of the American people. If we have reason to believe that the day is near when the people will speak, it lies in part in the appearance daily of casualty lists which speak eloquently of the sacrifices being made at the front."

Mr. Champ said too many people are devoting too much time to planning what we will do after the war "when the war is anything but won. In this life and death struggle, it is pretty safe to assume that 'social advances,' 'agricultural parity' as well as exorbitant business profits do not have a prominent place in the war program of our enemies."

Victory, he added, will cost the American people one of every two dollars they spend and one of every two hours of their productive labor. Business, he said, had better revise its thinking in many respects because "it is certain to have its casualties no less than our armed forces." He told the mortgage men that they had best decide now to take the risks which they must take in financing the more speculative type of housing necessary for the war effort. "Such risks are mild compared to the alternative which will confront us in the event of a breakdown in any part of our production machine."

This meeting was one of a series of two-day regional conferences and mortgage clinics brought under way in Chicago and later duplicated in Seattle and Los Angeles. Similar meetings will be held April 10 and 11 in Dallas and April 13 and 14 in New Orleans.

Senate Defers Action On Labor Legislation

The Senate on April 1 postponed consideration of labor legislation until April 20, when it is expected the Connally bill, to "freeze" existing labor conditions and to give the President greater plant seizure power, will be taken up. Senator Connally (D., Tex.) sponsor of the measure which is given preference on the calendar, had sought prompt action on his bill but Senator Barkley (D., Ky.) majority leader, argued successfully that to bring up the issue at this time would be harmful to the war program.

The Senate on March 31 overwhelmingly rejected two motions by Senator O'Daniel (D., Tex.) to abolish over-time pay, the closed shop, picketing and the 40-hour week. However, it is said, that this did not really reflect Senate sentiment since Senator O'Daniel sought to attach his amendments as riders to the Smaller War Plants Corporation bill and the Senate considered such action irrelevant.

The Senate may take some definite action on restrictive labor legislation before April 20, if the chamber's regular business is resumed earlier.

THE FINANCIAL SITUATION

(Continued From First Page)

type of political argument and maneuver is very likely to have such an effect. It can scarcely fail to produce such a situation when carried too far and when carried too far by opponents both about equally skilled in this technique. When organized labor and its friends in order to "get off the spot" attempt to divert the attention of the public to the shortcomings, real or fancied, of "management" or "capital" and make a showing sufficient to arouse the rank and file, the net result can well be that the public will reach the point which once led the President to exclaim: "A plague on both your houses." From such a state of mind it is but a short step to disgust with a Government which permits things to get into such a condition.

Now in all candor it must be said that it is very doubtful if, save in regard to the inevitable consequences of the eternal coddling of labor and agriculture, and probably, as usual, the machinations of political hangers-on, the situation is nearly as bad as many would have us believe recent "disclosures" indicate. There are, however, strong reasons to suspect that the public is deeply dissatisfied, not to say disgusted with a great many things—some of them quite sufficient to warrant utter disgust and some not—and, after all, that is what always disturbs the politician. What the thoughtful man or woman who is above all interested in winning the war as decisively and as soon as may be must above all hope is that neither the Administration nor Congress, or both of them, will be able to satisfy public demand or soothe public dissatisfaction by means of the hasty, ill-considered, "jittery" type of action now being taken or suggested for that purpose. If so, this country is in much greater danger of failure in its war effort than most of us believe it to be.

"Little Business" and the War

Take as a relatively innocuous example the President's action in issuing an order authorizing the War and Navy Departments and the Maritime Commission to make or guarantee loans to smaller business concerns in connection with war production. The rather strange way in which the order was announced at the White House, apparently for the purpose of giving certain Senators a helpful political hand, and the wording of the announcement itself so far as the terms are concerned under which such loans or advances are to be made, must leave the observer with doubts. The announcement, for example, says:

> Under the Order, the War Department, the Navy Department, and the Maritime Commission may guarantee or make loans when they are needed for war production. These guarantees will support the operations of the banks, the Federal Reserve System, the Reconstruction Finance Corporation, and other credit agencies. They will not be made under peacetime credit rules. They will be made by production men, wherever additional financing is essential for additional production.
>
> Peacetime restrictions on credit cannot hold up production of war supplies needed by the armed forces.

The point here is, however, the impression likely to be given to the uninformed, the false impression so we think, that the step here taken will in important degree enable small enterprises generally to take an active and effective part in war production, and thus give satisfaction to those who have long been bitterly complaining that such concerns are not able to "get" war contracts satisfactorily. The truth of the matter is that most small enterprises are not equipped and have not the required skills to take nearly so large a part in war production as is popularly supposed. That and difficulties inherent in any endeavor of so large a scale, as well, doubtless, as administrative inefficiency in Washington which prevents some such plants from finding out what they can do and obtaining contracts to do it, are the roots of the trouble. Neither the President's order nor any "Smaller War Plants Corporation" will, therefore, relieve in any large degree the situation of which complaint is made.

Consider, too, the compromise arrangement designed to prevent the current "trust-busting" campaign of Mr. Arnold from getting in the way of war production. In the first place, the careful student will at once recognize that time only will disclose the degree in which the plan will really hold the avid Mr. Arnold in check, even "for the duration." But even greater difficulties lie elsewhere. What is the bearing of these statutes upon much of the "co-operative" war effort today? Which of these arrangements violate these statutes and which do not? Nearly all of Mr. Arnold's suits have ended, so far as they are ended, in consent decrees. Apart from labor union aspects of the situation little or no light has been thrown upon the meaning of these difficult laws. There never has been much certainty about their application to many situations by which the business man is confronted, and now that the Supreme Court has been nearly reconstituted, the uncertainty is greater, probably, than it ever was. To be sure, there have been assurances from public officials, but business men know, some of them from sad experience, how much such assurances are really worth. We are not in a position to know the degree in which business managers are today "taking a chance" and doing what the Government apparently wants, but we are certain that under existing conditions there is real risk in doing so.

Criticism and Treason

Of course, the effort to place virtually all criticism of the Government in the category of treason, or very close to it, has already shown not only its inefficacy but its serious political dangers. It is not likely, after the several recent achievements of general public criticism in this country and the way in which it has saved the day, if the day is saved, in Great Britain that the American people will be easily led to the belief that they must shut their eyes and accept without cavil whatever is done in Washington—or even what the still very popular President does. Attempts to shut off complaint or criticism of what is going on will, we believe and certainly hope, strengthen popular dissatisfaction. If the Administration and others in Washington wish better informed, more constructive criticism, let them see to it that the people are more fully and more promptly told what is going on in this people's war.

Turn now to the other end of Pennsylvania Avenue. Take the frantic efforts to draft and adopt almost overnight

---

Editorial—

The Tax Exemption Issue

Although the final word has not yet been spoken, it is fairly evident that the latest attempt by the Administration in Washington to make the income from $20,000,000,000 of State and municipal securities subject to Federal income taxation will shatter on the same rock of States' rights which broke up all previous moves. A complaisant Supreme Court eventually may rule otherwise in the several actions initiated against holders of bonds issued by State agencies or instrumentalities. But Congress appears to be in no mood to accept a dictum which runs counter to the genuine wishes and interests of the 48 States. Those who attended the hearings late in March on the Treasury proposal to tax both outstanding and future issues, and who heard the House Ways and Means Committee members express their views, came away with the conviction that the entire matter will be shelved quietly but firmly.

The hearings were of absorbing interest, for they brought out clearly and unmistakably the fact that the United States Treasury would stand to gain relatively little revenue from taxation of State and local government issues, and that costs to the States and their municipalities would rise approximately to the extent that Federal revenues increased. There would be, as one able economist said, no true gain to the national economy from adding to Federal revenue at the expense of the States.

Even more significant was the determined opposition to the Treasury proposal by a score of representatives of the States and municipalities, who really spoke for virtually all the States and their local regimes. It was not merely on financial grounds that these spokesmen attacked the Treasury proposal. They based their opposition principally on what they called a "subtle attempt" to dominate the States and gain control over them by means of financial power. The sovereign rights of the States were seen to be at issue, and vigorous opposition was expressed to infringements of such rights.

All of this brings into fresh and inescapable prominence the stubborn refusal of the Administration in Washington to embrace the proper and democratic method of solving the problem of tax exempt income from State and municipal bonds. Almost all high authorities are agreed that a Constitutional Amendment offers the only correct solution. Through a "short and simple statute" the Administration proposes what amounts to a forcible invasion of State financial realms. Through Court action the same aim is sought, for Congress previously refused to heed the Administration on this matter, preferring to follow the abler constructionists of the Constitution.

There is now some evidence that the States, themselves, will initiate a test of the entire matter on the correct basis of a properly drawn Constitutional Amendment. If this test materializes it will be heartening evidence of a hitherto unsuspected resilience in our democratic form of government. The system of checks and balances within the Federal Government obviously is faltering, owing to the concentration of powers in Executive hands. Emergence of the collective States, in this situation, as a balance to the autocratic tendency of the Federal authority, offers a hopeful and satisfying promise that our American way of life will not easily be set aside.

an "over-all" profits limitation law despite doubts expressed even by some of the more influential Administration leaders. One is reminded of the lines of the poet Robert Burns:

Wee, sleekit, cowrin, tim'rous beastie
O, what a panic's in thy breastie.

The flat 6 per cent limit which the House would impose is bad enough, but it remained for the Senate Appropriations Committee to reach a sort of climax of ingenious folly. Throughout the earlier provisions of its measure it displays some faint conception of the difficulties inevitably encountered in determining the precise amount of profit earned on any specific contract, and takes the easy way around them by merely authorizing and directing certain government officials to determine such profits and "re-negotiate" or, in plainer language, reduce them to what they think is reasonable. One would suppose that the committee had the idea that these officials, who are the Secretary of War, the Secretary of the Navy and the Chairman of the Maritime Commission (and others to whom these officials may delegate powers) had nothing to do these days but to study and re-study contracts, pursue endless negotiations and the like with a view to protecting the public Treasury. But the Senate committee apparently developed an afterthought. It reads as follows:

> In any event, any profits on any contract in excess of the amount set out in the following schedule of maximum profits rates shall be deemed to be excessive for the purposes of this section unless the Secretary of the Department concerned makes a specific determination that a greater profit is not excessive in the case of such contract. A report of any such determination shall be made to the Congress within thirty days from the date thereof.
>
> **Schedule of Maximum Profit Rates**
>
> Ten per centum of so much of the contract prices as does not exceed $100,000; plus
>
> Eight per centum of so much of the contract as exceeds $100,000 but does not exceed $500,000; plus
>
> Six per centum of so much of the contract price as exceeds $500,000 but does not exceed $1,000,000; plus
>
> Five per centum of so much of the contract price as exceeds $1,000,000 but does not exceed $5,000,000; plus
>
> Four per centum of so much of the contract price as exceeds $5,000,000 but does not exceed $20,000,000; plus
>
> Three per centum of so much of the contract price as exceeds $20,000,000 but does not exceed $50,000,000; plus
>
> Two per centum of so much of the contract price as exceeds $50,000,000.

Washington dispatches now indicate that this particular scheme has been shelved at least for the time being, and suggest that the "real" measure will be drafted by a conference committee of the two houses. What that bill will be, time will tell, but the action of the Senate committee clearly reveals the state of mind in Washington at present.

Other Projects

Meanwhile, unless current Washington advices are untrustworthy, serious and increasing consideration is being given to various other control measures, which sooner or later may develop into the much publicized "draft everybody and everything" plan, which might or might not "satisfy" the electorate for a brief period, but which would not advance our war effort or take long to give rise to more dissatisfaction than now exists concerning the management of affairs at Washington. There is a good deal of stewing—and not much else—about needed labor legislation, chiefly without much question because this is what is known politically as a "hot potato." There appears to be no general agreement as to whether more voters will be appeased by it or more alienated. It need hardly be added that what little has been done to curtail the enormous outlays upon schemes that have nothing to do with the war—except possibly to impede progress—has been of the "tricky" order. Apparently there is no serious intention of doing anything more satisfactory about it.

Can the American people be soothed in this way and persuaded to continue to support those who are guilty of such utter lack of statesmanship? The people themselves will of course give the answer this Fall—if they are not bamboozled out of an opportunity to do so effectively. For the sake of us all, it is most ardently to be hoped, that answer will be an emphatic negative.

Curb Realty Elects

At their annual meeting on April 2, shareholders of the New York Curb Exchange Realty Associates, Inc., elected David U. Page and Fred C. Moffatt to directorships. William B. Steinhardt and Joseph A. Cole were elected inspectors of election for the annual meeting to be held in April, 1943.

At the organization meeting which followed the following officers were elected for the ensuing year:

David U. Page, President; Austin K. Neftel, Vice-President; Wilmont H. Goodrich, Executive Vice-President; Christopher Hergeveld, Jr., Secretary-Treasurer.

Mr. Steinhardt was appointed Assistant Treasurer.

The State Of Trade

Business activity continues its trend upward in many lines, this being especially so in the steel industry, where operations have reached a new peak. Electric power production and carloadings continue to show heavy gains over last year, all of which reflects the increased acceleration of the war production effort. Advices from Washington state that labor management committees have been formed in 308 plants and that "many report large increases in production already."

Retail business continues at high levels. Pre-Easter shopping surpassed sales records for the season, Dun & Bradstreet, Inc., reported in its weekly trade review. Crowds of Christmas rush proportions jammed stores throughout the nation and bought heavily of spring ready-to-wear clothing. Cash buying was particularly heavy, the review stated, with demand concentrated on wool clothing and other staples, but spreading widely into other lines.

Informed quarters state, that so far consumers have not suffered to any large extent from the war effort. Most goods have been available in adequate quantities to satisfy buyers, but unfortunately this condition is now changing, and the effects of war will bear more heavily on consumers with each passing month.

It is pointed out that there are several reasons why consumers escaped the problem of shortages during the past several months. First, the government was more interested in constructing new war plants and in converting the automobile industry to war production. The emphasis on this latter industry left other durable consumers goods industries free for a time to conduct "business as usual." Now, however, other durable consumers goods industries are being converted to war goods or are forced to curtail production due to shortages of critical raw materials.

It is further pointed out that the large inventories accumulated by wholesalers and retailers while goods were available, are now being rapidly depleted. Already the government has stepped into conserve and ration remaining supplies in cases where the goods are essential to certain people.

From these observations, it is apparent that consumers are going to feel the pinch more and more with each passing month. It is pointed out that all of the conditions that contributed to adequate supplies of durable consumers goods in the first couple of months after Dec. 7, 1941, have been reversed.

Steel trade activity promises an all-time peak. New production records in pig iron and steel indicate that 1942 will witness the greatest activity ever attained by the steel industry, the magazine "Steel" points out in its current release.

"The increasing tempo was well under way," the publication continues, "when the War Production Board asked acceleration and will provide excellent reports as of April 1, when first production figures are asked. The records were made in the face of scrap shortages, which makes them the more impressive. Various factors promise further increase as new equipment and methods now under way produce results."

Sales of power by the electric light and power industry during the week ended March 28, 1942, was 3,345,502,000 kilowatt hours, a decrease of 0.1% from the previous week's output, but 12.4% higher than the comparable week in 1941, according to report issued by the Edison Electric Institute.

The Association of American Railroads reported that 804,746 cars of revenue freight were loaded during the week ended March 28. This was an increase of 8,106 cars, or 1.0%, compared with the preceding week; an increase of 10,943 cars, or 1.4%, compared with a year ago, and an increase of 175,825 cars, or 28.0%, compared with 1940.

Engineered construction for the week, $107,136,000, tops the volume for the corresponding 1941 week by 55%, but is 40% below last week as reported by "Engineering News-Record." Public construction for the week is 102% over a year ago, but 40% under a week ago. Private work is 45 and 38% lower, respectively, than last year and last week.

The current week's volume brings 1942 construction to $2,100,224,000, a gain of 37% over the total for the 14-week period in 1941. Private construction, $199,928,000, is over 51% lower than in the period last year, but public work, $1,900,296,000, is 70% higher than a year ago as a result of the 124% increase in Federal work.

Department store sales in the United States were 26% higher in the week ended March 28, compared with the same week in 1941, while sales for the four weeks ended March 28, were 25% above sales in the corresponding period of 1941, the Federal Reserve Board reports.

Persistent reports that an overall ceiling on prices is being considered in Washington are causing many retailers to reappraise their inventory policies. While such a ceiling tends to discourage advance buying to some extent, the possibility of shortages may provide the stimulus for continual heavy buying.

Labor-management committees have notified Donald M. Nelson, Chairman of the War Production Board, that war production drives have been organized in plants of 308 companies having war materials contracts. It is stated that the number of committees in operation is larger than anticipated by the WPB.

The figure includes only those plants in which labor-management committees have actually been formed and are activating plans whereby production is being stepped up to meet the President's goal of 60,000 planes, 20,000 anti-aircraft guns, 45,000 tanks and 8,000,000 tons of shipping. Chairman Nelson requested that management-labor committees be formed as a voluntary movement in response to President Roosevelt's direction "to take every possible step to raise production and to bring home to labor and management alike the supreme importance of war production in this critical spring."

FHLB Sells Debentures

The Federal Home Loan Banks sold on April 2 two issues of consolidated debentures aggregating $42,000,000, it was announced by Everett Smith, New York financial representative. The bonds were offered earlier in the day (April 2) and were heavily oversubscribed. The issues consisted of $18,000,000 ¾% Series J debentures, due on Dec. 1, 1942, to yield about 0.65%, and $24,000,000 ⅞% Series K debentures, due on Feb. 1, 1943, to yield about 0.75%. Both issues are dated April 15, 1942. The proceeds from the sale of the securities, together with $10,000,000 from the banks' surplus fund, will be used to pay off $52,000,000 of Series G ¾% debentures maturing on April 15. At the close of business April 15, 1942, the banks will have a total of $91,500,000 debentures outstanding.

The consolidated debentures which mature on April 15, were sold in Nov., 1940; as was reported in these columns Nov. 23, 1940, page 3017.

Battle & Industrial Fronts Seen Analogous

Addressing the annual dinner of the Yale Engineering Association in New York on March 26, William P. Witherow, President of the National Association of Manufacturers, stressed unity of thought and action as primary requisites to victory.

At the same time he took occasion to indicate his emphatic support for the War Production Board chief, Donald Nelson, saying:

> "The Government, although somewhat tardy, made an important decision in concentrating all industrial war activities in one responsible head—in the selection of Donald Nelson as Chairman of the War Production Board."

With reference to labor-management cooperation, Mr. Witherow said:

> "I am one who thoroughly believes in the full, untarnished and devoted patriotism of the American worker. I also am strong in my belief, through long association and knowledge, in the loyalty and patriotic fervor of the men who manage business. Regardless of statements to the contrary, whoever says that there are concentrated drives being made to destroy the power of either group, I can with real authority deny emphatically these claims and can equally well attribute them to the malicious tongue of enemy propaganda.

"The two fronts—that is the battle front and the industrial front—in wartime, are analogous. There should be no question in the mind of anyone that during these critical wartimes, no new scheme or method should be introduced which would influence the discipline of industrial management. The manager of today is the worker of yesterday. He has acquired, through work and skill, an extraordinary leadership ability—his prerogative of responsibility. The worker of today will be the manager of tomorrow, and he will take the reins of leadership up in the succeeding years.

"It seems to me that no plan or scheme should even be considered which in any way dilutes management's authority in dealing with its men. That is not to say that full cooperation between worker and manager should not be developed to the utmost. Stimulation for war production, through suggestion by employees (such as contemplated in the new War Production Drive), should be of great value in certain industries where there may have been a lag.

"Industry and management supports this effort and is now instituting committees to further production efforts. We will accomplish our tasks by the full dedication of all efforts, unstinted and unremitting."

Corn & Wheat Loans

The Department of Agriculture reported on April 4 that Commodity Credit Corporation made 91,804 loans, in the amount of $69,520,413 on 95,260,899 bushels of 1941 crop corn through March 28, 1942. Loans made to date have averaged 73 cents per bushel.

The Agriculture Department also reported that through March 28, the CCC made 516,211 loans on 356,826,446 bushels of 1941 wheat. The wheat under loan includes 117,813,267 bushels stored on farms and 239,013,179 bushels stored in public warehouses. Repayments to date amounted to 33,223,617 bushels and 9,167,739 bushels had been delivered to the Corporation. A total of 314,435,090 bushels remained under loan as of March 28.

Treasury Offers For Cash $1,500,000,000 Of ½% Certificates—Books Are Closed

The Treasury Department on April 6 offered for cash $1,500,000,000 of Treasury Certificates of Indebtedness of Series A-1942. The certificates offered at par and bearing interest at the rate of ½% per annum, are dated April 15, 1942, and will mature Nov. 1, 1942.

The Treasury announcement of the offering April 6, said:

> "In order to insure more extensive participation for moderate amounts on the part of corporations, banks and others interested in a type of security carrying maturities somewhat longer than Treasury bills, subscriptions up to $25,000 will be allotted in full. Subscriptions for larger amounts will be allotted on an equal percentage basis, but not less than $25,000 on any one subscription."

The preliminary announcement of the Treasury Department, issued April 1, had the following to say regarding the proposed offering:

> Secretary Morgenthau today announced the plan to be followed by the Treasury in its public offering of Treasury certificates of indebtedness. The issue is to take the form of a single offering of about $1,500,000,000, instead of the two issues contemplated last month.
>
> The Secretary explained that the new issue is designed to meet a demand on the part of corporations, banks, and other investors for a type of security carrying maturities somewhat longer than Treasury bills. Because corporations have indicated a desire to invest current accumulations of business funds in this type of security, the Secretary is contacting them directly to inform them of the approaching offering.

In his communication to corporations, Secretary Morgenthau said:

> "The Treasury Department expects to make a public offering of about $1,500,000,000 of Treasury certificates of indebtedness on Monday, April 6, 1942. The certificates will be offered at par and will bear interest at the rate of ½%, payable by coupon. The maturity will be about six months.
>
> "Many corporations have indicated the desire to invest current accumulations of business funds in this type of security. I am calling this issue to your attention since it occurs to me that your corporation may wish to subscribe for some of these securities.
>
> "If you will telegraph me not later than Friday evening, April 3, 1942, indicating your interest, I shall be glad to have sent to you before the offering date, complete details of the terms of this issue and see that you are advised about subsequent offerings of Government securities. As the new offering may be open only one day, prompt action is necessary if you wish to participate. Subscriptions for amounts up to and including $25,000 will be allotted in full."

From the Treasury advices of April 1 we also quote:

> In introducing the new issue the Treasury will also have the benefit of the facilities of the investment industry. Representatives of the Investment Bankers Association of America, the National Association of Securities Dealers, and the Association of Stock Exchange Firms have volunteered to have their members assist in familiarizing investors with the offering.
>
> Secretary Morgenthau pointed out the obvious difficulty of directly notifying the numerous investors who it is expected will wish to subscribe and expressed the hope that press announcements together with the individual efforts of members of the investment industry will give sufficiently widespread publicity to the issue
>
> In the opinion of security experts the issuance of Treasury certificates of indebtedness will be welcomed by investors who have not previously been able to employ advantageously their idle funds in United States Government securities. The belief is also expressed that Treasury certificates of indebtedness will furnish the open market for United States Government securities a desirable means through which banks can adjust their day-to-day reserve positions.

It was pointed out by Secretary Morgenthau that "Treasury certificates of indebtedness are not a new type of obligation. They were last issued in 1934."

The plans of the Treasury to issue the certificates were referred to in these columns March 26, page 1236.

The subscription books to the present offering were closed at the close of business on April 6, Secretary Morgenthau explaining that the offering had been well received. It was pointed out that any subscription addressed to a Federal Reserve Bank or branch and placed in the mail before midnight April 6, would be considered as having been entered before the close of the subscription books.

Subscriptions for the Treasury certificates of indebtedness were accepted from the various classes of subscribers on the same basis as those entered for the last two cash offerings of Treasury bonds (described in detail in the formal offering circular below).

This is the third large cash offering of securities to be made by the Treasury since Dec. 15, 1941. In December over $1,500,000,000 of 2½% bonds of 1967-72 and 2% bonds of 1951-55 were issued and in February the Treasury sold over $1,500,000,000 of 2¼% bonds of 1952-55. There was no new money financing in March since income tax receipts and sales of Defense Savings Bonds were sufficient to cover expenses up to April.

The official circular governing this offering was as follows:

UNITED STATES OF AMERICA
½% Treasury Certificates of
Indebtedness of Series A-1942
Dated and bearing interest from
April 15, 1942
Due Nov. 1, 1942

1942
Department Circular No. 683
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary,
Washington, April 6, 1942

I. Offering of Certificates

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for ½% certificates of indebtedness of the United States, designated Treasury Certificates of Indebtedness of Series A-1942. The amount of the offering is $1,500,000,000, or thereabouts.

II. Description of Certificates

1. The certificates will be dated April 15, 1942, and will bear interest from that date at the rate of ½% per annum, payable on an annual basis at the maturity of the certificates. They will mature Nov. 1, 1942, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes and will not bear the circulation privilege.

4. Bearer certificates with one interest coupon attached will be issued in denominations of $1,000 $5,000, $10,000 and $100,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. Subscription and Allotment

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10% of the amount of certificates applied for. Subscriptions will be entertained from the various classes of subscribers on the following bases:

> 1. Banks and trust companies for their own account—not to exceed 50% of capital and surplus.
>
> 2. Mutual savings and cooperative banks, Federal Savings and Loan Associations, trust accounts and investment corporations, pension funds, insurance companies, and similar institutions and funds—not to exceed 10% of total resources.
>
> 3. Corporations organized for profit, and dealers and brokers—not to exceed 50% of net worth.
>
> 4. Individuals—not to exceed 50% of net worth or 100% of cash deposited with subscription.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions for amounts up to and including $25,000 will be allotted in full, and subscriptions for amounts over $25,000 will be allotted on an equal percentage basis, but not less than $25,000 on any one subscription. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. Payment

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made or completed on or before April 15, 1942, or on later allotment. In every case where payment is not so completed, the payment with application up to 10% of the amount of certificates applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. General Provisions

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Bill To Limit Debt To $125 Billion Signed

President Roosevelt signed on March 28 the bill increasing the Federal debt limit from $65,000,000,000 to $125,000,000,000. The bill also amends the Second Liberty Bond Act so as to give the Treasury greater financing authority.

Final Congressional action on the measure came on March 26 when the House adopted the conference report, which had been agreed to by the Senate on the previous day (March 25). This report eliminated the amendment which the Senate had added on March 17, increasing the national debt to $130,000,000,000 so as to include in the debt limit all fully guaranteed obligations of Government corporations. The House conferees refused to accede to this amendment, insisting on its $125,000,000,000 limit, and the Senate conferees receded.

Previous Senate action was reported in our issues of March 19, page 1140.

In explaining why the Senate conferees receded on this amendment, Senator George (Dem., Ga.) Chairman of the Senate Finance Committee, told the Senate on March 25, as reported in the "Congressional Record":

> The House conferees refused to accede to the amendment. The Senator from Virginia (Mr. Byrd) was one of the conferees; and after we had gone into the the matter fully the Senator from Virginia himself agreed to recede from the amendment, in the interest of quick agreement on the debt-limit bill.
>
> The House conferees took the position that representatives of the Treasury had appeared before the Ways and Means Committee and had stated that a limit of $125,000,000,000 on the public debt would meet all the necessities of the Treasury. The Senate conferees presented very strongly the case for the Senate amendment, to wit, that under the amendment, henceforth included in the public debt, would be the obligations of those agencies of Government whose evidences of indebtedness sold to the public were fully guaranteed both as to principal and interest, and that it was highly desirable, as we thought, to include in the public debt, such obligations as those issued by the RFC and other agencies whose obligations were fully guaranteed both as to principal and interest.
>
> However, the House conferees took the position that, since the Treasury itself had said that a limit of $125,000,000,000 would meet all the needs of the Treasury, to place before the House at this time an amendment which would raise the debt limit to $130,000,000,000 would open the whole bill to so much question in the House that its prompt enactment might not be secured. Since it was desired to enact the legislation promptly, the Senate conferees, after long argument with the House conferees, agreed to recede from the amendment.

Journal of Commerce Other Papers Up Price

The New York "Journal of Commerce" announced on April 7 that to offset increased costs of operation, its annual subscription price will be advanced to $20 per year, effective April 15.

The announcement added:

> Present subscribers may extend their subscriptions for one year at the current price of $15 if the order for such extension is received by or on April 30. The newsstand price will be 10 cents.
>
> The "Journal of Commerce," in common with other publications, has had to absorb substantial increases in costs in the production and editorial departments.

Among other various papers which have recently raised their prices is the Bridgeport (Conn.) "Post," which on March 31 made known that its price had been advanced from 2 to 3 cents. On April 1 the Long Branch, N. J. "Daily Record" announced that it had increased its retail price, effective April 13 from 3 to 4 cents. Associated Press advices added:

> Louis H. Farb, General Manager of the "Daily Record," said increased costs of production and labor made the rise necessary. He said the wholesale rate charged dealers would be raised from $2.00 a hundred copies to $2.75.

From Lancaster (Pa.) the Associated Press reported:

> The price of Lancaster's daily newspapers—the "Morning Intelligencer-Journal" and the afternoon "New Era"—was increased today from 3 to 4 cents a copy.
>
> The price of the "Sunday News," published by the same company, will be boosted from 5 to 6 cents effective April 5.
>
> The publishers said rising production costs made the change necessary.

The price of the magazine "Better Homes and Gardens" was advanced from 10 cents to 15 cents with the April issue which went on sale on March 25, Meredith Publishing Co. officials at Des Moines, Iowa, said.

At the same time the yearly subscription price was advanced from $1 to $1.50 a year, Lester Mugge, Circulation Manager stated, due he said to constantly rising prices which have increased greatly production costs.

Earlier reference to increased prices recently put into effect by magazines and daily papers appeared in these columns March 12, page 1041 and March 26, page 1229.

RFC Loans To Miners

In an effort to encourage production of strategic and critical metals or minerals from small mines, Secretary of Commerce Jesse Jones announced on March 27 a plan whereby the Reconstruction Finance Corporation will make an initial loan of $20,000 to any miner whose property appears to have "reasonable promise of success." If the results are good, it is explained, additional loans up to $20,000 will be available. The loans will be repayable out of mining operations and will not require mortgages on the mining property.

Inclusion Of Sales Tax In Revenue Measure By House Committee Regarded As Probable

Completing on April 3 a month of hearings on the Treasury Department's recommendations for new taxation, the House Ways and Means Committee was said to have predicted that day that many of Secretary Morgenthau's revenue proposals would be rejected when the Committee drafts a new $7,610,000,000 tax bill. "About the only thing the Committee seems willing to accept right now is the amount," two members said. According to Washington Associated Press accounts on April 3, which noted that Mr. Morgenthau had recommended the $7,610,000,000 increase over this year's record-breaking revenue law, Chairman Doughton of the Committee stated on April 3 that closed-door sessions on the proposed measure would begin about April 20, and it is reported that there is little likelihood of the bill reaching the House before June 1. In its April 3 advices the Associated Press said:

> A survey of the Committee members indicated that if votes were taken today the Administration program would fare as follows:
>
> Mr. Morgenthau's recommendation against sales tax: A clear majority favors either a manufacturers' or retail sales tax, in order to be able to scale down Mr. Morgenthau's request for steep increases in both individual and corporation taxes.
>
> Total of $3,200,000,000 more from individuals: Except as a last-ditch source of revenue, such a program would be rejected on the ground that it would double the average individual's tax so closely upon last year's trebling of income taxes.
>
> Levy of $3,060,000,000 additional from corporations: Much too high, what with combined normal and surtaxes starting at 55%, and excess profit rates ranging up to 75%. Rates appear to be almost confiscatory, some members declare.
>
> Sum of $1,344.000,000 from new and increased excises: Rejected if a sales tax is adopted; otherwise accepted for the most part, but only as a temporary war measure. Major revenue would come from increases on distilled spirits, a doubling of the present 1½ cent tax on gasoline, and on cigarettes.
>
> Compulsory joint individual income tax returns by husband and wife: Acceptable as a war measure, with the prospect that it would attract more votes than last year when it was defeated in the House after winning Committee indorsement.
>
> Taxation of State and municipal securities: Probably would be rejected because of the effect on outstanding indebtedness and on future security flotations.
>
> Elimination of the present so-called percentage depletion allowance for oil well operators: Opposed because it might interfere with maximum production of petroleum.
>
> Withholding income at the source as a means of collection: Opposed on the ground that the average person would prefer to make his own plans to meet his tax payments next March 15.

From its Washington bureau April 6 the New York "Journal of Commerce" reported that, in the view of official circles there now appears a virtual certainty that the House Committee will recommend a bill which will provide for a sales tax to raise from $3,000,000.000 to $4,000,000,000 with the remainder necessary to produce the $7,600.000,000 recommended by the Treasury coming from increased income taxes. These advices added:

> Some time ago, the differences over the tax bill seemed to center on whether the Treasury's proposals for raising the funds necessary for the next year would be rejected in favor of a sales tax, but members of the Ways and Means Committee are now said to lean toward a combination of sales taxes and increased income taxes with heavy emphasis on the sales tax. Informed quarters also believe that repeal of the capital gains tax will be advocated purely on the grounds of revenue.

Indicating that the type of sales tax which appears to be most favored by the Committee is the plan now in operation in Ohio, where the merchants prepay the tax through the purchase of tax stamps and then reimburse themselves by collecting for the stamps from the ultimate consumer, the "Journal of Commerce further reported from Washington:

> Such system would make virtually every merchant a tax collecting agency for the Government and every purchaser a monitor to see that the merchant fulfills his obligation as a "tax collector."
>
> Under the Ohio plan the tax stamp is torn in two at the time the consumer pays the tax and the portion of the tax stamp which the consumer receives is distinguished from the portion which the merchant retains.
>
> Committee members are also said to feel that corporate and personal income taxes should not be increased to the point where there would be no inducement for larger taxpayers to engage in business, despite the fact that some of these members favor limitation of profits on war contracts.
>
> Another advantage of the sales tax, members feel, is that the public has already been made acquainted with this type of tax throughout most of the States, while many persons paid an income tax for the first time on March 15.

On April 3 the House Committee was told by Carl B. Robbins, President of the Axton Fisher Tobacco Co. of Louisville, Ky., that there was no more "painless" method of increasing the Federal revenue than by raising the tax on cigarettes. He argued, however that the increase, should be based on a differential proportionate to the manufacturer's selling cost of "economy" and standard brand cigarettes. The Associated Press further said:

> He suggested that the rate be increased from the present $3.25 per 1,000 cigarettes to $3.50 for the "economy" brand and $6.80 for the standard brand.
>
> The Treasury has suggested a boost from $3.25 for both types to $3.50 for the economy brand and $4 for the standard brands. Mr. Robbins said his proposal would bring in close to $500,000,000 as contrasted to an estimated $188,000,000 under the Treasury plan.

A suggestion for a $14,800,000,000 tax program based on tapping recent increases in income to individuals and corporations was presented to the House Committee on April 2 by Prof. Joseph E. Shafer of Bowling Green State University, Ohio. From the April 2 Associated Press Washington advices we also quote:

> He estimated that it would produce $8,800,000,000 from individuals and $6,000,000,000 from corporations.
>
> He proposed a special individual income tax ranging from 20% of the first $100 of increased income over 1941 to 95% of any increase exceeding $11.800. This levy would be in addition to regular taxes.
>
> For corporations, he would use a 1938-40 base and tax the increases above that level at rates ranging from 50% of the first $5,000 to 100% above $100,000.
>
> "The general purpose," he told the committee, "is to place the burden of new taxes upon those who are enjoying increased incomes from the war and to avoid placing added burdens of tax upon those who have fixed incomes because many persons with fixed incomes already have undertaken fixed obligations." . . .
>
> Representative Disney of Oklahoma, a member of the committee, issued a statement saying that a survey which he had made showed that "an overwhelming majority" of the House would vote for a sales tax rather than for big increases in individual and corporation taxes proposed by the Treasury.
>
> Asserting that Congress could not raise $7,000,000,000 from corporations and individuals, he added that "we will be compelled to go to a sales tax, much as we dislike to."
>
> Edgar G. Brown, speaking for the United Government Employes, Inc., and a director of the National Negro Council, asked the committee to oppose a sales tax.
>
> The Automotive Parts Rebuilders Association, urged committee to clarify the taxing of repaired automobile parts, contending that the industry now was "harassed by uncertainties."
>
> Meredith M. Daubin of Washington, D. C., counsel for the organization, argued that the levy, now 5%, should be eliminated on repaired goods altogether or, if left on the books, should specify definitely their inclusion with a provision that the assessment be calculated only on the net sale price.

Reversing its stand in opposition to sales taxes, the American Retail Federation, according to the "Journal of Commerce" Washington advices, told the House Committee on March 31, through its representative B. Earl Pluckett, that it favors a 5% retail sales tax on all merchandise, except Government purchases, as the most anti-inflationary tax to meet present wartime needs of the country. Continuing these advices to the "Journal of Commerce" said in part:

> According to Mr. Pluckett who is also President of Allied Stores Corporation, such a measure would bring about $3,000,000,000 to the Treasury and would give the Treasury latitude in seeking the additional $4,610,000,000 required to meet tax requirements for the fiscal year, 1943.
>
> Also appearing before the House Ways and Means Committee were Donald I. Greek of Dagrusch, Greek & King of Columbus, Ohio, who advocated a 5% sales tax modeled after the Ohio plan to meet present Government spending requirements and an additional 5% sales tax to be refunded to consumers after the war. Such a plan is similar to the system in England at the present time, under which a part of increased taxes will be refunded to taxpayers after the war.
>
> Advocating a more equitable tax program for the agricultural interests of the country, Samuel Fraser of Rochester, N. Y., who is secretary of the International Apple Growers Association, told the committee that farmers should be allowed to carry over their profits from year to year in order to offset losses. He declared that it takes two to three years to raise some types of crops and a somewhat shorter time to raise livestock and cattle, during which period there is no income to the farmers. He added, however, that the tax on these products is computed on the one year's sales in which the farmer receives cash for his products.
>
> * * *
>
> Explaining that he has heretofore opposed a sales tax as a means of raising revenue for the Federal Government, because of its deflationary effect on prices as well as its effect on department store sales, Mr. Pluckett, declared that he advocated such a tax only at the present time and not as a permanent revenue measure. He added that he would oppose the measure after the war because of its anti-inflationary character.

While details regarding the hearings a week ago on the tax proposals before the Committee were noted in our April 2 issue, page 1344, it may be mentioned here that the Committee completed hearings on March 24 on the Treasury's proposal to eliminate or reduce the depletion allowance for oil and minerals in the new tax bill, at which time the New York "Times" in a Washington account said:

> Sixteen witnesses appeared or submitted briefs to make unanimous for the last two days the opposition of the oil and mining industries.
>
> Evan Just of Miami, Okla., Secretary of the Tri-State Zinc and Lead Ore Producers Association, whose members produce about 40% of the zinc and 10% of the lead mined in this country, contended that the present depletion allowances were just.
>
> He explained that it is impossible to rationalize the capital investments in minimum in terms of the depletion of profitable ore bodies exclusively. Because they deplete resources which do not grow, he said, mining operations must develop constantly new sites for their activity.
>
> Mr. Just declared that the depletion allowance was necessary to produce the capital needed by the mining industry in carrying on business.
>
> Similarly, George A. Merchant of Chicago, of the Binckley Mining Co., contended that the depletion allowance is more necessary now than ever. He said that his industry was fully aware of the huge task confronting Congress in raising war revenues and that it was not the wish of his group to suggest the percentage of net income to be taxed.

Double Time Pay Helps Enemy Says Roosevelt

President Roosevelt declared on April 7 that payment of double time for week-end and holiday work in wartime "puts a brake on production" and "helps our enemies." The President made this statement in a letter to a special war conference of the United Automobile Workers (C.I.O.) at Detroit, called for the purpose of acting on the recommendation of the C.I.O. executive board to waive double and premium time for the duration.

Saying that "the relinquishment of double time should not operate as a windfall to any employer or group of employers," Mr. Roosevelt explained that no group is being asked to make sacrifices for the selfish benefit of any other group and added that "total war demands total sacrifice for the common good." He also pointed out that the Government intends to renegotiate contracts with the employers "wherever necessary to insure that the savings from the relinquishment of double or premium time go not to the employer but to the nation."

The President's letter, addressed to R. J. Thomas, international President of the U. A. W.-C. I. O., follows:

My dear Mr. Thomas:

To preserve the rights of free men and women in the modern world, we must win this war which the Fascist Powers plotted and planned for many years.

While we worked for peace, the Fascist Powers drove their people overtime, Sundays and holidays, to prepare for war. They got a jump on us, and before we could catch up with them, they deliberately launched their treacherous attack against us at Pearl Harbor.

I am sure that no group of our people is more determined than our workers to match and master the totalitarian tyrants whose aim is to destroy the dignity of men and the rights of free labor.

To overtake and outstrip Axis production, our munition factories and our shipyards must operate on a seven-day week. Every day must be a work day. That does not mean that every man must work seven days a week. That would slow up, rather than quicken, production. But it does mean that every factory and every shipyard should be working seven days a week, night and day. The war does not stop for Sundays and holidays.

The provision in some union contracts requiring double time or other premium pay for week-end and holiday work is quite understandable in peacetime. But in wartime it puts a brake on production. It causes factories to close on Sundays and holidays. It helps our enemies.

The Congress of Industrial Organizations, acting concurrently with the American Federation of Labor, has wisely and patriotically recommended that double and premium time for work on Saturdays, Sundays and holidays, where such days fall within the normal work week, be given up for the duration of the war and that these days be treated like any other day of the week. I am sure that with the knowledge that this policy will help expedite war production, it will have your whole hearted support. I am likewise sure that this policy, so understood, will commend itself to the rank and file of the American workers everywhere.

Of course the relinquishment of double time should not operate as a windfall to any employer or group of employers. We are asking sacrifices from no group for the selfish benefit of any other group. Total war demands total sacrifice for the common good.

It is the intention of the Government to renegotiate contracts with the employers wherever necessary to insure that the savings from the relinquishment of double or premium time go not to the employer but to the nation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Guayule Rubber Progress

Rapid progress in the guayule rubber production project is reported by the Department of Agriculture's Forest Service. Seed sowing for 500 acres of nursery beds near Salinas, Calif., started late in March, plowing and discing of the nursery beds, and soil surveys and maps having been completed. says the Department, which indicates that sowing will follow progressively behind installation of irrigation systems in the nursery. The Department also states that since March 5, when the Guayule Rubber Production Act was signed, a seed treating building, 80 x 109 feet has been completed and is now in operation. Launching of the project was referred to in these columns March 12, page 1062.

More Than 100 Government, Private Agencies Studying Post-War Social, Economic Problems

Planning for a richer and better America to emerge after the war ends is now engaging the attention of more than 100 governmental and private agencies and commercial firms throughout the United States, according to a survey of the subject recently made for The Twentieth Century Fund. A report of this survey, **"Postwar Planning in the United States,"** was issued on April 6 by the Fund.

The survey, which was made for the Fund by Dr. George B. Galloway, emphasizes the magnitude of the public and private effort to anticipate and make plans to meet the social and economic problems this country will face when the war is over. There is, it is stated, frank "recognition of the fact that the problems of war and peace are inseparable, being part of the same social fabric, and that wartime and postwar planning is a continuous and indivisible process."

In **"Postwar Planning in the United States"** the Fund describes the work of 35 Government agencies, 33 private agencies, 11 industrial and financial organizations, 16 trade associations and seven rail, highway, water and other transportation agencies now actively engaged in postwar planning research and says that further investigation undoubtedly would reveal more. Much of the research, it is pointed out, is still in the planning stage. The report catalogs the leading agencies, lists and classifies the projects each has under way and includes a bibliography of current books, pamphlets and articles on postwar planning.

Summarizing the findings of the investigation the report states:

> Certain more or less common assumptions and objectives for the United States after the war are now taking shape. With few exceptions, a democratic victory is generally and confidently anticipated. The possibility of an Axis victory enters hardly at all into the calculations of American postwar research. The desirability of preserving the private enterprise system as the chief component in the American postwar economy is widely taken for granted by both public and private agencies, although there is some question whether private enterprise, alone and unaided, can create full employment and produce security and abundance for the masses.

The report of the survey also says in part:

> Among the major Federal Government agencies covered in the report is the Board of Economic Warfare, of which Vice-President Wallace is Chairman and Milo Perkins Executive Director. The Board is now the central agency in the Federal Government for postwar planning in the international field. It is intensively engaged in dealing with the economic phases of the war itself, such as the allocation of lend-lease materials and the export of foodstuffs to friendly nations, etc. The Board even in this work is giving thought to long-run implications for the world after the war.
>
> In the Labor Department, a Postwar Division, with Dal Hitchcock as Chief, has been established in the Bureau of Labor Statistics. The Division, in collaboration with other Government agencies, is studying such subjects as current and postwar labor problems of communities having a large expansion of war industries.
>
> * * *
>
> The Division of Research and Statistics under the Board of Governors of the Federal Reserve System has retained Professor Alvin H. Hansen of Harvard University as special economic adviser. Subjects being studied include probable changes in American trade resulting from postwar developments; possibilities of Federal and State aid in stimulating urban redevelopment and housing; Federal-State-local fiscal relationships; and international economic relations; particularly in connection with the Joint Economic Committees of Canada and the United States.
>
> The National Resources Planning Board, under Charles W. Eliot as Director, is exploring postwar problems with the administrative assistance of Luther Gulick, John D. Millett, and others.
>
> * * *
>
> The Public Work Reserve is developing a "reservoir of useful public projects to absorb post-defense unemployment." Jacob Baker is Coordinator of the Public Work Reserve, which is financed by the Work Projects Administration, sponsored by the Federal Works Agency, and co-sponsored by the National Resources Planning Board.
>
> The Department of Agriculture has set up an Interbureau Committee on Post-War Planning, with Roy I. Kimmel as Chairman. The work of the Department in the postwar field involves three principal lines of activity: the conservation and development of physical resources, crop land and pasture, range land and forest land; the development of rural facilities and services; and agricultural-industrial relations.
>
> Administrator Paul V. McNutt of the Federal Security Agency last fall appointed a Committee on Program Planning, with Walter D. Cocking as Executive Officer. The Committee is working out long-run programs in the following fields: public health, social security, education, nutrition, recreation and unemployed youth—and is developing plans for postwar activity in each of them.
>
> The Treasury Department is concentrating on current and postwar aspects of governmental finance. The Office of the Secretary is studying intergovernmental debt problems and problems of belligerent occupation. The Division of Tax Research, directed by Roy Blough, is studying Federal-State fiscal relations. Other studies are also being made by the Division of Monetary Research and the Division of Research and Statistics.
>
> Postwar studies of the Department of Commerce are centered mainly in the Division of International Economy, under Amos E. Taylor, and the Division of National Economy, under Arthur R. Upgren, both in the Bureau of Foreign and Domestic Commerce.
>
> In addition to those mentioned, a great many other governmental departments, bureaus, commissions, etc., are described in the Fund report as actively working in the postwar field. Included among such are the Office of the Coordinator of Inter-American Affairs, Federal Housing Administration, and the Federal Power Commission.
>
> An equally long list of private agencies, many of whose study projects are of a scale and scope to match governmental efforts, is included in **Postwar Planning in the United States.** Among them the Fund lists the Commission to study the Organization of Peace, Council for Democracy, Rotary International, National Bureau of Economic Research, National Planning Association, Federal Council of Churches, New School for Social Research, National Policy Committee, Social Science Research Council, Council on Foreign Relations, American Library Association, and many others.

It is added that The Twentieth Century Fund itself is one of the leading agencies now active in the postwar field. It will soon publish a series of special reports made to the Fund by Stuart Chase in which he will describe in popular language what he thinks the crucial postwar questions are likely to be and will suggest some possible solutions. The Fund also, is now organizing a major research project in this field. Evans Clark, Executive Director of The Twentieth Century Fund, said on April 5, "In addition to our own activities, we hope to keep the directory of postwar studies of other agencies as nearly up to date as possible. We shall issue revised editions of **Postwar Planning in the United States** from time to time, as additional information becomes available."

Pacific War Council Set Up At Washington

President Roosevelt announced on March 30 the creation of a Pacific War Council at Washington to consider "matters of policy relating to our joint war effort." The nations represented on it are the United States, Great Britain, Australia, New Zealand, Canada, China and the Netherlands. The initial meeting of the council was held in Washington on April 1.

In announcing that the Council had been set up, the President said:

> It is imperative that all of the United Nations now actually engaged in the Pacific conflict consider together matters of policy relating to our joint war effort.
>
> An effective war can only be prosecuted with the complete cooperation and understanding of all the nations concerned. The new council will be in intimate contact with a similar body in London.

At his press conference on Mar. 31, the President said that the Council is purely a consultative body and would deal with the progress being made in the fight against the powers of darkness.

President Roosevelt represents the United States on the Council, the other members being Viscount Halifax, British Ambassador; Dr. Herbert V. Evatt, Australian Minister of External Affairs; Walter Nash, New Zealand Minister; Dr. T. V. Soong, Chinese Foreign Minister; Dr. Alexander Loudon, Netherland Minister; Hume Wrong, counselor of the Canadian Legation.

As to the Council's first meeting Associated Press accounts from Washington on April 1 said:

> Lord Halifax, the British Ambassador, representing Great Britain, said there was a general review of the war situation by the President and various points were considered and discussed. He said the meeting was most helpful and that meetings would be held with reasonable regularity. The next session was scheduled for Tuesday [April 7].
>
> The participants indicated that no major decisions had been reached at the meeting, which was largely of a preliminary nature to map out what the Council will do.
>
> Harry L. Hopkins, lend-lease supervisor and member of the War Production Board, was a second American representative at the parley.

The following is also from the Associated Press advices April 1:

> Dr. T. V. Soong, Chinese Foreign Minister, told reporters:
>
> "We will be getting to grips with the whole situation more and more."
>
> To a question whether he received any encouragement regarding his own country's problems, he replied that the emphasis was on the over-all war effort rather than on the interests of any single nation.
>
> The participants indicated that Mr. Roosevelt acted as presiding officer and did a large portion of the talking.

Real Estate Group Opposes Federal Sales Tax Urges Co-ordination Of Entire Tax Structure

Suggestions for constructive national-State-local tax action in view of necessary and increasing war requirements, coupled with criticism of certain current proposals in the Federal tax field, has been expressed by the National Council of Real Estate Taxpayers to the House Ways and Means Committee.

The real estate taxpayers warn against current proposals which, they state, would increase the present conflict, competition, and overlap between Federal Government and State-local government. Typical of such proposals, the statement says, is that advanced by the National Association of Manufacturers and some Chambers of Commerce, who suggest that the net income tax as outlined by the U. S. Treasury Department be softened and a general sales tax imposed. The Council states:

> These proposals would add to the existing confusion without materially improving the revenue structure of the Federal Government. If adopted they would tend to weaken the local and State financial structure.
>
> Historically the Federal Government has had primary rights in the net income tax field, and by implication the States have had the sales tax as their field. If the income tax is to be the field of the Federal Government, then any action by the Federal Government further invading the States' field of revenue is basically unsound.
>
> Federal taxation for war purposes must be greatly increased. But in the meantime local and State government finances, which feel also the impact of increased demands, find many tax sources drying up. Decreased use of automobiles, reduced stocks of local merchandise, etc., have already been reflected in reduced State revenues. The property tax for many years has been at the point of diminishing returns. In this situation serious further incursion of the Federal taxing power into local fields, as through Federal sales taxes would weaken the financial stability of our cornerstone local and State governments, and so tend to weaken the entire national financial structure.

To meet this problem, the Council asks for co-ordination of the tax structure on all three levels of Government as a primary need, and one which has been repeatedly asked by State, local, and Federal Government agencies, labor unions, and taxpayers' groups. A bill to accomplish this was introduced in July, 1941, by Representative Homer D. Angell of Oregon. It is understood, says the Council, that the bill has never been considered by the Ways and Means Committee. In view of the immediacy of the matter, the House Committee is urged by the Council to take action at once through adoption of a definite Federal tax policy which would indicate fields which are to be left open for State and local government financing. This could be done, it is suggested, by a joint resolution of both Houses of Congress, and should be proposed by the House Committee. The real estate taxpayers' proposal was presented to the Ways and Means Committee by Myers Y. Cooper, of Cincinnati, President of the Council, and former Governor of Ohio. Constituents of the Council are the National Grange, the National Association of Real Estate Boards, the National Association of Building Owners and Managers, the Mortgage Bankers Association of America, and the National Apartment Owners Association.

The real estate taxpayers propose a three-step basic program for tax action over the country in the war period. It includes:

1. Elimination of all expenditures no longer necessary, or not essential to victory. Some $2,000,000,000 of this type expenditures could be eliminated from the Federal budget, it is held. Similar action should be taken by every city government, county, and township board, school board, etc.
2. Adoption by Congress of a Federal tax policy, as outlined above, which should be undertaken immediately to serve as a guide to the 44 State Legislatures which meet in early 1943.
3. Equitable distribution of the burden of paying all ordinary and war costs of all branches of Government, over all citizens, including those who are now partially or wholly tax exempt. Step No. 2 would help make this possible.

The Council also points out that good citizens today are paying taxes willingly, but also that they are demanding fair distribution of the total tax responsibility, business-like tax policies.

Pres. Hails Strides Made By Virgin Islands

In a message of greetings to the people of the Virgin Islands, on the occasion of the 25th anniversary of the transfer of the islands from Denmark to the United States, President Roosevelt on March 31 hailed the "remarkable strides" that have been and are being made economically, socially and spiritually. He also expressed full faith and confidence that "we shall be victorious in our struggle to maintain the democratic way of life."

The message, as contained in Virgin Island advices to the New York "Times" and read by Governor Charles Harwood, follows:

> I am happy through you to send my greetings to the people of the Virgin Islands on the occasion of the celebration of the silver anniversary of the transfer of the islands from Denmark to the United States. Since the Virgin Islands have been in the possession of the United States, particularly in the last ten years, remarkable strides have been made and are being made economically, socially and spiritually.
>
> As in 1917, we are living in an unhappy world, but I have full faith and confidence that we shall be victorious in our struggle to maintain the democratic way of life. It gives me great pleasure to send every good wish to the loyal people of the Virgin Islands, which represent in the American scene a strategic outpost of freedom and liberty which we are determined to defend against every enemy.

The same advices stated that Leon Henderson, head of the Office of Price Administration, and member of the War Production Board, arrived at St. Thomas on March 30 to be guest of honor at the celebration.

Outline Plan To Mobilize Labor For War Work Giving Govt. Power To Allocate Workers

A 14-point plan to mobilize men and women for work in war industries was made public on April 2 by Sidney Hillman, Labor Director of the War Production Board. Included in the plan is Government power to transfer workers from one factory to another in accordance with the needs of the war program, centralizing control of all Federal agencies engaged in defense training and creation of a national man-power board to consider the realistic and practical determination of the military needs of the Army and Navy and industrial needs.

According to Associated Press accounts from Washington, April 2, Mr. Hillman, who is on leave from the Presidency of the Amalgamated Clothing Workers (CIO), made the plan public after he was questioned about it during a hearing on Senator McKellar's bill to abolish the National Youth Administration and the Civilian Conservation Corps, a proposal which Mr. Hillman opposed. Said the Associated Press:

> It was not made clear whether Mr. Hillman was the author of the program, or what other officials might have endorsed the plan. It was understood, however, that a proposal of this kind had been submitted to President Roosevelt.
>
> President Roosevelt already has gone on record in opposition to Senator McKellar's bill, and today, in a message sent in observance of the CCC's ninth anniversary, he declared:
>
> "There is a real place for the CCC during this emergency and it will be called upon more and more to perform tasks which will strengthen our country."

Mr. Hillman's 14-point plan was outlined as follows, according to the Associated Press:

1. Directives should be sent to all war contractors that all skilled craftsmen must be employed at jobs utilizing their best skills. To insure compliance with this directive, utilization of a staff of plant inspectors is required, with authority to review detailed plant operations as frequently as deemed necessary. Provision must be made for compulsory acceptance by the plant management of the recommendations of Government plant inspectors relative to utilization of skilled workers and of training programs necessary for training within the plant of supervisory personnel, professional and technical personnel, semi-skilled workers being improved to take on skilled jobs, and beginners.

2. Procurement officers and other persons placing contracts should be directed to keep informed of and give due consideration to the labor supply situation in communities in which they are planning the placement of contracts. Representatives of the Labor Division of the WPB should be consulted in the first stages of all contract negotiations.

3. The President should issue an Executive order centralizing control of all Federal agencies engaged in defense training.

4. The President should issue an Executive order designating the United States Employment Service under the direction and supervision of the War Production Board as the single agency to control recruitment and placement of workers in critical occupations essential to war production.

5. The War Production Board should set up the mechanism necessary to establish priorities of production by items of equipment and priorities of plants manufacturing such equipment in order that proper labor priorities may be determined.

6. Authority should be obtained for transferring workers among employers in accordance with the needs of the war production program. Such authority should include provision for protection of seniority and other rights acquired by workers being transferred, as well as transportation costs.

7. The War Production Board should direct all contracting departments and agencies to take the necessary action to insure full utilization of the local labor supply, including women and minority groups.

8. In-migrant war workers should have first call on all war housing. The bulk, if not all, of war housing should be rented to war workers without requirement to purchase such housing. In more critical areas, dormitories should be provided to accommodate workers whose families have been left in their former homes. In addition, authority should be obtained to requisition existing housing space for war workers.

9. To prevent delays in war production through the breakdown of local transportation systems, action should be taken: to stagger hours for departments of large industries, schools, office workers, and shoppers; and to obtain greater utilization of rail services, inter-city and sight-seeing buses and other means of transportation used for services not essential to the war effort.

10. Legislation should be secured authorizing the War Production Board to mobilize a mobile labor corps of such size and in such skilled occupations as are deemed necessary for the prosecution of the war effort.

11. The War Production Board should curtail less essential production and services if and when necessary to meet the man-power problem of war production.

12. A national man-power board should be established promptly.

13. Man-power boards should, among other things, promptly consider the realistic and practical determination of the military needs of the Army and Navy on one hand and industrial needs on the other. This consideration should include controls necessary to prevent wastage of skills through voluntary enlistment in the Army and Navy.

14. Necessary action should be taken to establish wage-stabilization agreements wherever feasible.

Large Increases In War Metals Production

Large increases in the production of such vital strategic raw materials as bauxite, chrome, manganese, tungsten and vanadium are being effected by the Metails Reserve Co. in co-operation with the Reconstruction Finance Corporation and Defense Plant Corporation, Jesse H. Jones, Secretary of Commerce announced on March 29.

With regard to copper, lead and zinc, Mr. Jones revealed that the output of numerous of these small producers has been greatly stimulated by premium payments over "ceiling" prices. He also said that substantial expansion in copper production has been made through large companies and that necessary increases in zinc smelting capacity have been effected.

The following details of the report on the various metals were given in a Washington despatch March 29 to the New York "Herald Tribune":

Bauxite—Plans are proceeding for possible increase in production of high-grade bauxite in Arkansas to 2,000,000 long tons per annum, representing a total increase of approximately 200% over 1941 production.

Antimony—Domestic production of antimony continues to supply only a small proportion of domestic requirements, but contracts are being made for a large increase in imports from Mexico.

Chrome—Production rate of 360,000 short tons annually from three Montana properties alone by end of 1942 compares with previous United States peak production figure of 92,400 short tons for entire country achieved in 1918 in World War I.

Copper—Metals Reserve Co. has agreed to pay a premium of five cents a pound for "over-quota" production of domestic copper, and this is expected to enable some mines to operate which could not function profitably at ceiling prices of 12 cents a pound and to permit numerous small individual operators to expand their production greatly.

Lead — Arrangements have been made to pay a premium of 2¾ cents a pound on over-quota production of lead for a period of two-and-a-half years from Feb. 1, 1942. Substantial stimulation of small-mine production may be expected to result from the premium price of 9.25 cents a pound, which is in excess of the highest average price level for lead in 50 years.

Manganese — With Anaconda Copper Mining Co. now producing high-grade manganese nodules from its beneficiation plant at the rate of 112,000 short tons yearly, Metal Reserve Co. has made contracts for increased production of this important commodity in 20 states.

Mercury—Production of mercury has increased so rapidly in the United States and Mexico under price stimlulation that no steps are being contemplated now for any substantial government financing.

Tungsten — Contracts have been made with three of the largest domestic producers of tungsten to permit substantial increase in their production, and similar contracts are being arranged with numerous other producers.

Vanadium — Arrangements now made for the rapid development of several lead vanadate properties in the West which had no economic value in normal times as well as for the increase in the production of vanadium from sandstone ores of western Colorado and eastern Utah. These two steps are expected to boost domestic vanadium production this year about 60%.

Zinc — Contracts have been made with four major companies for production of 94,400 short tons of zinc this year, and production will also be increased by arrangements now being made for continued supplies from foreign sources and for stimulus to domestic production by payment of a premium of 2¾ cents a pound for "over-quota" production.

Seizes Copper, Aluminum

The War Production Board's Inventory and Requisitioning Branch on April 6 invoked its authority for the first time and made seizures of copper and aluminum after holders, according to charges, had refused to sell to the Metals Reserve Corporation at Government established prices. The actions involved 78,000 pounds of copper sheet, owned by a supplies dealer, and 1,000 pounds of high-grade commercial aluminum ingot, owned by another dealer. The stocks were said by the WPB to represent inventories in excess of requirements to fill rated orders.

Defense Housing Demand Causes N. Y. Savings Banks To Create Bldg. Cos. To Aid Construction

It was pointed out recently by Earl B. Schwulst, Vice-President of the Bowery Savings Bank of New York, that the current demand for housing units near defense plants exceeds 550,000, according to the Housing Co-ordinator's estimates of this number; 73%, or 400,000 units, it was noted, is scheduled to be constructed by private enterprise. The great majority will be cleared through FHA, whose Title VI Defense Housing plan is beginning to pick up. Mr. Schwulst's observations were contained in an address on "Defense Housing" before the Real Estate Mortgage Clinic in New York on March 26, in which he went on to say in part:

> The Federal Government assumes responsibility for 27% of the current needs on the grounds that this proportion of housing may not be needed after the war and therefore constitutes a risky investment for private enterprise.
>
> The Federal building program, primed by $600,000,000 of the three Lanhan Act funds, has made good headway. By the end of January 1942, 238,681 units had been assigned to the various Federal Works Administration bureaus which are doing the job. Of this number, 137,451 were ready for occupancy or occupied. . . .
>
> The effects which the constant decreasing of housing costs and the development of mobile housing units will have on the traditional pattern of home-mortgage financing and on residential real estate values of the future are incalculable. . . .
>
> The greater part of the defense housing program is to be "permanent,"—that is, housing built in defense areas but which is in normal demand in those areas. Increased demand for living space in localities where there is a great deal of defense industrial activity has focused attention on how obsolete many dwelling units really are. Many sections in the United States have seen little or no residential construction in the past few years.
>
> There are many places where defense housing is badly needed now, and will be after the war when replacement of old housing becomes a more apparent need. It is in this field that savings banks have their real opportunity to help the government program and, at the same time, make sound, new mortgage investments when it is obvious that new investments will be difficult, if not impossible, to find. . . .

Realizing the need for constructive assistance to the Federal Government in its industrial program, the New York State savings banks have created a mechanism which will help create $150,000,000 of defense housing in that State despite the obstacles and deterrents. Of equal significance is the fact that, by taking the initiative in this critical period, they are assuring themselves of a new and big market for investment of mortgage funds for the "duration."

The New York State savings banks have set up their own building company which is designed to operate where, and only where, the local builders and developers are not sufficiently strong to carry their proportionate share of needed building. It so happens, in this respect, that many communities which have had a sudden, wartime increase in the demand for housing have had very little demand in the past several years; therefore, local builders are not presently "geared" to do a large job.

The creation of a building company and the establishment of a revolving fund of $500,000 to be used for equity financing (both moves upsetting, on the surface, at least, many traditional policies of the savings banks) were made possible because of the existence of the Institutional Securities Corporation. This $10,000,000 organization was incorporated in 1933 in order to equip the New York savings banks with an implement which would assist them in the renovation of owned real estate, the making of building loans and the servicing of mortgages of those banks which were remotely located in respect to their investments.

Fixed Profits Limits Killed In Senate Bill

The Senate on April 7 passed by a voice vote the $19,062,373,260 supplemental war appropriation bill but eliminated proposals to include specific limitations on war profits. As sent to conference, the Senate bill granted powers to the War and Navy Departments and the Maritime Commission to renegotiate contracts when profits are deemed to be excessive. Prior to adopting this modified plan, the Senate rejected by a 40 to 21 vote the sliding-scale formula to limit profits which had been recommended by its Appropriations Committee. This plan, designed as a substitute for the flat 6% ceiling over profits which the House had written into the bill, provided for a range an Profits from a maximum of 10% on contracts up to $100,000 to a minimum between 2% and 3% for contracts up to and above $50,000,000. The Senate earlier had rejected the flat 6% profit on contracts growing out of this appropriation bill. In order to consider attaching the profits limitation to the appropriation bill the Senate had to first suspend its rules. This was accomplished by a vote of 51 to 10, well above the required two-thirds majority.

The House and Senate conferees will now settle differences in the two versions. With regard to the funds, the Senate added over $700,000,000 to the House total approved on March 28 (reported in our issue of April 2, page 1341). The money is mainly to provide the Army with 30,000 new warplanes and to equip 3,600,000 men.

Administration and high defense officials had expressed their opposition to both war profits limitation plans, preferring instead high excess profits tax rates.

Secretary of the Treasury Morgenthau told his press conference on April 6 that "one good tax bill will take care of excess profits, if Congress passes it as recommended by the Treasury." The Treasury program, now before the House Ways and Means Committee, proposes that excess profits be taxed from 50 to 75%.

In testimony made public on April 6, it was revealed that Donald M. Nelson, Chairman of the War Production Board had told the Senate Appropriations Committee that limiting profits by law would slow up procurement and interfere in a substantial degree with the war program.

Urges Govt. Paper Savings

President Roosevelt revealed on April 3 that he had directed Government agencies to do everything possible to save paper. At his press conference, the President stated that such a policy would make more paper available for newspapers. In response to a reporter's question whether the President was in favor of that, he replied in the affirmative.

Farm Credit Bill Would Sabotage War Effort, Placing Unjustifiable Burden On National Credit

An example of the kind of national legislation which ought to be "blacked out" for the duration of the war and which, if passed, would make a mockery of parts of the war effort was cited by Frederick P. Champ, President of the Mortgage Bankers Association of America, as the Fulmer Farm Credit bill in the House and the Bankhead companion bill in the Senate. Speaking before a meeting of the Utah Mortgage Bankers Association, at Salt Lake City on March 24, Mr. Champ said:

> While our men are fighting at the front with their backs to the wall and need every ounce of our productive effort and our savings for munitions and supplies, it is inconceivable that Congress should even consider a measure which means millions of dollars of outright subsidy by the Federal treasury. Further, the measure would mean a Government guarantee, running probably into billions eventually, to provide a subsidy for a routine peace-time operation — particularly at a time when the farm borrower was never in a better position to carry and pay his own debts.

His statement attacked the Fulmer legislation which the Mortgage Bankers Association has been opposing as unnecessary and harmful and which they contend will contribute nothing to the war effort but will place a burden on the Federal treasury.

Mr. Champ said he subscribed wholeheartedly to the expressed views of William I. Myers of Cornell University and former President of the Farm Credit Administration in his appearance several days previously before the Senate Banking and Currency Committee when he said that "there is no real justification for this unnecessary increase in the burdens of the treasury in view of the enormous strain on the national credit for the successful prosecution of the war and our survival."

Mr. Champ also stated:

> This legislation would eliminate the cooperative features of the Farm Loan Act and would, in effect, place all farm mortgage lending decisions in the hands of one man, the Governor of the Farm Credit Administration, a Presidential appointee.
>
> It provides that the interest rate will remain at 3½% for another five years and this subsidy will remain in effect regardless of the cost to the Government. It is lower than urban borrowers are paying.
>
> The bill invites a scale-down of borrowers' debts at the expense of the Government.
>
> It authorizes the FCA to refinance those farmers not in the Federal Land Bank System who have taken advantage of Section 75 of the Bankruptcy Act. In doing this refinancing, the Farm Credit Administration is authorized, without limit, to purchase for any individual farmer additional land and provide him with satisfactory buildings, apparently lending him the full amount of the cost. The scale-down of debt may contribute to the demoralization of the farm credit structure.
>
> The legislation does not relieve the Government from continued subsidy in the farm mortgage field but will, it appears, increase this subsidy.
>
> At a time when all the Nation's energies, wealth and manpower ought to be devoted to one thing and one thing alone—winning the war — certain groups in Congress continue to agitate for this legislation which, stripped to its barest essentials, is a wholly unnecessary subsidy for farm borrowers.
>
> The situation is all the more fantastic when the effect would actually be to reduce farmer ownership in the Federal Land Bank System and ultimately destroy the cooperative basis of farm lending and substitute "socialized" farm mortgage credit for it.
>
> All thinking citizens who have carefully considered the bill, including farmers who would be harmed by it, are opposed to centralization of authority which the bill provides for and which, further, sets up a vast bureaucracy in Washington centering on the Governor of the Farm Credit Administration.

Senate Approves Aid For Small Mfg. Plants

On April 1 by a vote of 82 to 0, the United States Senate passed a bill setting up in the War Production Board a Smaller War Plants Corporation with a capital of $100,000,000 to mobilize small manufacturing plants adapted for war work. The agency would receive its $100,000,000 capital from the Treasury and would be authorized to sub-contract orders to small plants and provide financing if necessary to convert business to war production.

The bill was approved by the Senate Banking and Currency Committee on March 25. As was reported in our issue of April 2 (page 1360) President Roosevelt issued on March 26 an Executive Order authorizing the War and Navy Departments and the Maritime Commission to make or guarantee loans to the nation's smaller businesses for financing war production; it is stated that the President's Order does not eliminate the need for the bill passed by the Senate, sponsored by Senator Murray (Dem.) of Montana, Chairman of the Senate Small Business Committee. Senator Murray told the Senate on April 1 that the legislation would supplement President Roosevelt's order. The Senate on April 1, at the request of Senator Brown (Dem.) of Michigan, deleted from the bill reference to the Reconstruction Finance Corporation. In noting this, the New York "Journal of Commerce" in its advices from Washington stated that the bill had originally included clauses making the RFC an alternative lending agency.

Before approving the measure on March 25, the Senate Committee rejected proposals by Secretary of Commerce Jesse Jones, who had suggested that the capital of the new agency be eliminated, together with its powers of providing equipment or facilities for small plants, and place loaning powers in the Reconstruction Finance Corporation.

According to the Associated Press of March 25 the RFC which has sponsored all major Government lending operations for business and war production previously, would be limited to servicing and collecting loans granted by the Smaller War Plants Corp. created under the bill.

The Senate in considering the bill on April 1, (said the New York "Journal of Commerce" Washington advices) voted down amendments proposed by Senator Bailey (Dem.) of North Carolina, which would authorize loans only to concerns which were solvent Dec. 1, 1941, and which are found to need money to carry on business in civilian and defense activity, and defined a small business as one whose gross income is not more than $400,000 annually. The same advices stated:

> The North Carolina Senator's amendment was intended to lay down a safer loan policy of the Smaller War Plants Corporation. Senator Taft (Dem., Ohio) claimed that the proposed amendments would limit effectiveness of the corporation and prevent some factories from being placed in war production. Mr. Taft said that the Government must expect to lose money in this undertaking.
>
> "Certainly you're going to lose money," he said. "So is the RFC in its programs. It isn't a question of relief, but rather of providing work for smaller plants who need work and are capable of doing war work."

From Associated Press advices from Washington April 1, we take the following:

> On a voice vote before final passage, the Chamber (Senate) approved an amendment by Senator Robert M. La Follette, Progressive, of Wisconsin, directing the Chairman of the War Production Board to cooperate with the Director of Civilian Supply in seeing to it that "small business concerns will be most efficiently and effectively utilized in the production of articles, equipment, supplies and materials essential for civilian purposes, and that business enterprises other than small business concerns will be utilized to the fullest extent for war production purposes."
>
> Senator Prentiss M. Brown, Democrat, of Michigan, predicted that a large proportion of loans made under the measure would be lost, and said it would change the entire basis for making Government loans for war production. Senator Bailey said the bill, which would establish a Smaller War Plants Corporation linked to the War Production Board, was likely, unless amended, to "bring a rush on the Treasury in which small business may all get lost."

An attempt in the Senate to attach to the bill, as a rider, amendments to suspend the 40-hour week, overtime pay and the closed shop was rejected by the Senate on March 31. The amendments, offered by Senator O'Daniel (D., Texas) were designed, it is said to help small business concerns get a greater share of war contracts.

The corporation created under the bill would be headed by five directors appointed by Chairman Donald M. Nelson, of the War Production Board.

Prompt enactment of the legislation was urged by Senator Murray on March 31, when the Senate began consideration of the bill. According to Senator Murray the measure includes most of the recommendations made by WPB Chairman Nelson.

Mr. Nelson's testimony before the Senate Committee was referred to in these columns March 19, page 1156.

Less Argentine Sugar

Sugar production in the Argentine Republic during the calendar year 1941, totaled 405,825 metric tons as compared with 540,591 tons in the previous year, a decrease of 134,766 tons, or approximately 24.9%, according to advices received by Lamborn & Co., New York. For 1942 it is anticipated that a record crop will be produced exceeding the high of 540,591 tons manufactured in 1940.

The firm further reported:

> Distribution of sugar for consumption in Argentina during 1941 amounted to 421,217 metric tons as contrasted with 480,216 tons in 1940, a decrease of 58,999 tons, equivalent to 12.3%. A portion of the 1940 distribution went into the "invisible" supply which was absorbed in 1941.
>
> Argentine exports during 1941 totaled 13,500 metric tons as against 44,000 tons in the previous year.
>
> Stocks of sugar on hand in the Argentine on Jan. 1, 1942 totaled 384,630 tons as against 413,520 tons on hand at the beginning of 1941.

Urges Repeal Of Silver Purchase Legislation

The opinion that, "in view of the war situation, it is all the more urgent that the inflationary effects of the silver program be removed" and that "materials, machinery and labor now devoted to silver production be utilized in the war effort," was expressed by Chairman M. S. Eccles, of the Board of Governors of the Federal Reserve System in a letter to Senator Vandenberg on March 30. In asking the insertion of Mr. Eccles' letter in the "Congressional Record," Senator Vandenberg referred to the recommendation by Secretary of the Treasury Morgenthau that the Silver Purchase Act be repealed, and the Senator stated that he had interrogated Mr. Eccles on the subject to find out whether he joined in the recommendation. Mr. Eccles reply to Senator Vandenberg follows in full:

> Board of Governors,
> Federal Reserve System,
> Washington, March 30, 1942
>
> Hon. Arthur H. Vandenberg,
> United States Senate,
> Washington, D. C.
>
> My Dear Senator Vandenberg:
>
> Because of the many wartime pressures here and also the need to review the silver situation particularly in relation to such agreements as the Government has made or is making with Allied and associated governments, this reply to your letter of March 3 has been delayed.
>
> My own views are generally in accord with those expressed by the Secretary of the Treasury at a press conference last month when he was quoted as favoring repeal of the silver-purchase legislation and as advocating the sale to industry of the silver accumulated by the Treasury during the past 7 years. Likewise, I feel that the points you mention in your letter to me are important ones justifying reconsideration of the silver purchase program at this time with a view to its repeal. I have had no reason to change my own views, which I have publicly expressed for a number of years. I stated before the Special Silver Committee and later before a banking and currency subcommittee of the Senate in 1939 that "I did not know of anything that tended to destroy ultimately the domestic silver industry as thoroughly as the present silver program."
>
> In view of the war situation, it is all more urgent that the inflationary effects of the silver program be removed and that so far as possible the materials, machinery and labor now devoted to silver production be utilized in the war effort.
>
> With kindest personal regards,
>
> Sincerely yours,
>
> M. S. ECCLES, Chairman.

An item relative to a statement by Secretary Morgenthau that he would "be glad to see Congress strike all of the silver legislation off the books" because of the cost to the Treasury appeared in our issue of Feb. 19, page 765.

Rediscount Rate Cut By S. F. Reserve Bank

The Federal Reserve Bank of San Francisco announced on April 7 that it had reduced its rediscount rate on April 2 to 1%, effective April 4. The rate had been 1½% since Sept. 3, 1937. This action raises to ten the number of Reserve banks with a 1% rediscount rate, leaving only Cleveland and Kansas City with a 1½% rate.

Recent reductions made by other Reserve Banks were reported in our issue of April 2, p. 1340.

Vital Role In Housing For N. Y. Savings Banks

With the record of providing roughly 30% of the defense housing in New York State during 1941, the savings banks are playing an increasingly important role in making homes available for the rapidly expanding influx of workers in the State's critical areas, according to an announcement issued April 5 by the Savings Banks Association of the State of New York. The Association states:

> Reports for the first priority period, Sept. 1, 1941 to March 1, 1942, showed a mounting percentage of defense housing units financed by the savings banks. During this six months period when priority allocations were made for 9,300 units, the savings banks financed in excess of 3,200, for a total of $14,300,000, according to incomplete returns. Of these, approximately 2,000 units were completed or in the process of construction. On the balance, priorities have been allocated and FHA approvals of the mortgages are in process.
>
> According to Earl B. Schwulst, Chairman of the Savings Banks Committee on Defense Housing, the savings banks, with over six billion in assets and aggressively seeking new savings deposits, have ample funds to meet such of the housing demands for war workers in New York State as may be soundly financed by private capital. The only limitations are — first, assurance that any projects undertaken can be developed on a permanent and sound basis, and second, that an up-to-date construction formula be developed so as not to risk the accumulations of savings of the people of the State whose funds make this financing possible.

The Association also points out that the savings banks authorized the formation of one or more building companies and the appropriation of $500,000 to provide those companies with capital, and about a month ago a wholly-owned building company, Freeholders, Inc., was organized with a part of those funds. The announcement of the Association adds:

> This company will step into critical situations where local builders and developers are unable to provide enterprise capital or continue to manage a rental project. In the short time since its formation, Freeholders, Inc. has cooperated closely with individual banks and is understood to have acquired title for a tract of fifty houses in one up-state city and to be negotiating for land in at least five other war production centers. This is in addition to the active part which is being played by local banks in such areas as Syracuse where Harold Stone, President of the Onondaga County Savings Bank, has assured local authorities that the savings banks can be counted on to finance at least 1,200 housing units; in Utica where the savings bank has worked out full details with local building interests; in Buffalo where the local savings banks are financing a large proportion of the new housing; and in Staten Island where Manhattan and Brooklyn savings banks are aiding the local institutions in providing ninety new units.

1941 Cotton Loans

The Department of Agriculture reported on March 25 that Commodity Credit Corporation had made 1,119,847 loans on 2,161,087 bales of 1941 crop cotton through March 21, 1942. A total of 232,075 loans were repaid on 471,187 bales, leaving outstanding 887,772 loans on 1,689,900 bales.

Petroleum And Its Products

Summer probably will see sharply higher prices for gasoline and other petroleum products in the East Coast area as the result of the rise of 162 to 187% in oil tanker charges announced by the War Shipping Administration this week, which brings the cost of motor fuel and kerosene transportation up to approximately 3 cents per gallon, against about 1 cent a gallon at the pre-war freight levels. The new charges are effective on loadings made on and after April 1, and were posted on April 2.

The increases in the surcharges on tanker freight rates between the Gulf ports, Caribbean ports and North Atlantic ports are based upon lengthening of voyages due to new routings, the WSA explained, plus the new insurance rates of 6% which went into effect at the outset of April. The announcement pointed out that a study of average values of tonnage employed in the trade indicates that the original value of $75 per ton deadweight is too low, and an average figure of $100 per ton deadweight is nearer the correct figure.

The new surcharges are as follows: Between United States Gulf ports (including Tampico) and North Atlantic ports from Miami to Montreal, inclusive, the new surcharge will be 200% of the basic freight rate. Between ports in the Caribbean and North Atlantic ports from Miami to Montreal, inclusive, 225%. The current surcharge of 37½% was made effective on voyages starting after Feb. 15. The present basic freight rate is 40 cents per 42-gallon barrel on gasoline and kerosene, Port Arthur to New York.

Since the increased tanker rates mean the loss of substantial sums to the industry under the existing price scale, it is believed that the industry, through its East Coast district committees, will apply formally to the Office of Price Administration for permission to lift prices on a scale sufficient to offset the sharp expansion in transportation costs. The conditions under which the industry is now operating means that hundreds of thousands of dollars in daily losses is the price paid by companies operating in the East Coast territory, so it is generally held that the OPA will allow the price advances.

Movements of crude oil by railroad tank car into the Atlantic Seaboard states during the final week of March passed the 505,000-barrel level to set a new daily high of almost one-third of the 1,700,000 barrels consumed along the East Coast daily at the present time. The report issued by Petroleum Coordinator Ickes also pointed out that rapid progress was being made by Eastern industries in converting their facilities to use of coal instead of fuel oil. More than 3,000,000 barrels of heavy fuel oil will thus be saved annually for use in war industries, he said.

The 1942 committee on railroad transportation of the American Petroleum Institute division of marketing, named this week, includes representatives of all branches of the petroleum industry and from all parts of the country, the large membership testifying to the rising importance of rail transportation of petroleum products. Fayette B. Dow, Washington, D. C., and D. V. Stroop, New York, both of the Institute, have been named Chairman and Secretary, respectively, E. V. Weber, Chairman of the General Committee announced.

The railroad industry also moved to bolster its tank car service with the appointment this week of William E. Callahan, who has been connected with the car service division since 1936, as manager of the newly-created Tank Car Section of the car service division of the Association of American Railroads. Mr. Callahan will maintain close contact with the PCO and other Government agencies directly concerned with the movement of products handled in tank cars. In Chicago, C. E. Johnston, Chairman of the Western Association of Railway Executives, said that petroleum products in tank cars on Western lines will receive preferred attention to assist in easing the oil transportation crisis.

A decline of 404,300 barrels in daily average production of crude oil in the United States during the week ended April 4 carried the total off to 3,439,850 barrels, the lowest total reported in more than 14 months. Texas, with two additional shutdown days, the "Oil & Gas Journal" reported, was off 364,500 barrels, to 1,045,650 barrels. Louisiana, California and Illinois also reported lower production totals. Kansas, Michigan and Oklahoma were among the oil-producing States showing increased output. Stocks of domestic and foreign crude oil rose 1,484,000 barrels during the March 28 week, to 263,208,000 barrels, the Bureau of Mines reported this week. Domestic stocks were up 1,412,000 barrels, foreign up 72,000 barrels.

April saw Texas oil operators pare production to the lowest level in nearly seven years as the Railroad Commission ordered wells shut down for 18 days during the month in order to hold the average flow of crude oil down to 1,035,512 barrels, against 1,450,000 barrels at the start of 1942. The sharp contraction of output, in line with curtailed production in other sections of the Nation, is the result of the transportation bottleneck to the heavy-consumption areas on the East Coast because of the heavy toll of tankers by Axis submarines off the United States coast.

Not only has production been sharply curtailed by drilling, and refinery operations have been cut down, halting what up to now has been a period of steady expansion of activity. Only petroleum products not affected by the transportation bottleneck are 100-octane gasoline, needed for the Allied flying forces, and others in heavy demand with the armed forces of the Nation. Twenty-five fields in the Lone Star State which have yielded crude for aviation gasoline were exempted from nine of the 18 shutdowns. The exemption affected 225,591 barrels on the average daily.

One possible answer to the problem of transportation of crude oil to the East's refining areas came from Chairman Mansfield of the House Rivers and Harbors Committee, who this week in Washington urged construction of a barge canal across Florida to provide a continuous inland waterway from Louisiana and Texas oil fields to the East. The cost of such a canal, which would connect existing barge canals which extend from Trenton, N. J., to Jacksonville, Fla., and from the west coast of Florida to Texas, would be only about $25,000,000, which is small compared to the enormous sums represented in the tankers sunk and cargoes lost already off the American coast as a result of enemy submarine action, he said.

"As a matter of fact, coastwise shipments of oil and gasoline will have to cease entirely unless ships can be convoyed, and, of course, naval vessels for this purpose cannot be spared at the present time," he continued. "Inland transportation of some kind will have to be resorted to." Up in New Jersey, Governor Edison of New Jersey said that he was studying a proposal, which originated in Florida, whereby a lot of small barges would be used for moving oil from Florida to New York along the Inland Waterway which runs from Trenton to Florida.

In view of the agitation for increased use of the inland waterway system the report released this week by the American Petroleum Institute showing that petroleum and its products account for about one-third of all water-borne freight of the United States assumed fresh importance. On the basis of 1940 figures, the report disclosed, petroleum cargoes contributed 200,077,000 tons of the 607,900,000 tons shipped that year by water to and from, and within, this country. The greatest movement of petroleum was in coastwise shipments, which totaled 114,640,000 tons, or nearly three-fourths of the total of all products.

February crude oil production throughout the world showed a sharp contraction in the preliminary report made public this week by "World Petroleum", due not only to the loss in the Dutch East Indies where wells were destroyed in order that the victorious Japs might not utilize their conquered property but also to the lower production in Venezuela. The United States also fell off in production during February as compared with the initial month of 1942. Total flow of crude oil hit 170,678,512 barrels, against 197,768,258 in January and 163,433,650 barrels in the comparable 1941 month.

There were no crude oil price changes posted during the week.

Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	$3.00
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

The normal slackening in demand with the approach of the Spring warm weather will alleviate any hardships that might otherwise result from the 25% reduction in fuel oil deliveries to East Coast states and Washington and Oregon ordered this week by the Petroleum Coordinator's office as a result of the tight supply situation resulting from the transportation bottleneck in these two areas.

The reductions in deliveries will not apply to hospitals, sanitariums, nursing homes or private residences where illness or other emergencies require more fuel for heat. War factories, the army and navy and transportation services will receive a minimum quantity for all operations. The cut was recommended by the petroleum industry's marketing committee to aid in the heating oil shortage.

A second increase in retail gasoline prices for certain filling stations was authorized by Leon Henderson, OPA Administrator, on April 7, effective Saturday. Mr. Henderson authorized motor fuel retailers in the East and West coast curtailment areas to charge customers 3 cents a gallon more than the wholesale prices paid by the dealers and allowed them to increase prices if necessary to obtain that margin. All but a few have already posted such increases. The OPA refused to lift maximum prices on No. 1 and 2 fuel oils on the East coast.

The transportation bottleneck that has been felt so hard in the East is now beginning to be felt in the Southwest with the Texas Co. announcing on April 7 that it was forced to close its Houston refinery due to the pinch of tanker losses and restricted consumption along the Atlantic Seaboard. "We deeply regret that this situation has arisen, and naturally we shall make every effort to transfer as many of our employes as possible to other Texaco plants," J. S. Leach, Vice President, said in announcing the shutdown.

Earlier in the week, Petroleum Coordinator Ickes had announced action to prevent excessive accumulation of oil stocks in the Gulf Coast are due to the war shortage of tankers for eastward movements of crude. The creation of an oil industry supply and distribution subcommittee was authorized by Mr. Ickes in the Gulf Coast area and he directed it to take steps to immediately relieve the situation through the equitable sharing of tanker cargo space available in such a way as to minimize the effect of the tanker shortage.

Mr. Ickes also authorized the subcommittee to meet emergency situations by coordinating and arranging for the sale, exchange, loan, transportation of petroleum and products among the various producers and refiners. Stocks of gasoline and other oil products in the Gulf Coast area already have begun "to tax to the utmost" existing storage and transportation facilities, it was pointed out. Unless remedial steps are taken at once, it was stressed, full storage tanks on the Gulf Coast will result in reduced refinery operations with consequent reduction in by-product recovery of aviation gasoline and other military necessities.

There were no price changes posted during the week.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vacuum	$.098
Tide Water Oil	.098
Texas	.098
*Shell Eastern	.098
Other Cities—	
Chicago	.05⅜-.05⅝
Gulf Coast	.055-.625
Oklahoma	.05⅜-.05⅝

*Super.

Kerosene, 41-43 Water White, Tank Car F. O. B. Refinery

New York (Bayonne)	$.057
Baltimore	.058
Philadelphia	.058
North Texas	.04
New Orleans	4.25-4.625
Tulsa	0.4⅜-.045

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	$1.55
Diesel	2.318
Savannah, Bunker C	1.50
Philadelphia, Bunker C	1.55
Gulf Coast	.85
Halifax	1.70

Gas, Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28.30 D	.053
Tulsa	.03⅝

OPA And BEW Outline Export Price Policy

In a joint memorandum issued April 5, the Office of Price Administration and the Board of Economic Warfare set forth the policies and functions relating to export price control. The memorandum summarizes the function of the OPA and BEW as regards exports; gives a seven-point OPA export price policy, and outlines the machinery established for close collaboration between the two agencies in connection with export ceiling prices.

As an example of this collaboration, said advices April 5 to the New York "Journal of Commerce" from its Washington bureau, the memorandum gives in considerable detail the "case history" surrounding the recent amendment made to the OPA's price schedule covering the resale of iron and steel products, in the interest of exporters.

The OPA export price policy was reported as follows in the "Journal of Commerce" advices:

1. To set a fair price which covers the additional costs involved in exporting.

2. To set a price, which is neutral in its effect on the distribution of sales between export and domestic markets. While excessive export prices endanger the maintenance of domestic ceilings and thus endanger morale at home, on the other hand insufficient export margins will result in a loss of foreign markets at a time when export markets are already jeopardized by shipping difficulties and contracted supply at home. The OPA carefully weighs both considerations.

3. To fix export margins at different levels, according to the functions performed by the sellers; the highest margin is allowed to the middlemen who incur the larger costs, inclusive or risks.

4. To establish export differentials in a manner (which follows from "3") which will not disturb established methods of doing business. Where additional middlemen insert themselves as a result of disturbed market conditions, export margins are not raised in order to support the unnecessary middlemen. If, on the other hand, producers refuse to sell to exporters and take over the export market, the OPA is not disposed to allow the producer the margin which otherwise would have gone to the exporter.

5. To give special consideration to hardship cases; distress sales resulting from war conditions, sales required by strong political or military considerations, purchases in the preceiling period of exports at prices much above ceiling prices.

6. To err on the side of liberality where generous treatment will enable exporters who have lost much of their trade to maintain export contacts for the post-war period.

7. To cooperate and collaborate with BEW in such a manner that exporters who appeal ceiling price provisions will be instructed in the most expeditious manner of treatment.

Although there has been considerable argument advanced against the fixing of price ceilings with respect to individual commodities, the OPA is adopting the policy of fixing "functional differentials," the memorandum said, in preference to blanket ceilings fixed on an arbitrary basis.

FDR Orders Speeding Of War Materials to Russia

The White House revealed on March 27 that President Roosevelt, acting in his capacity as Commander-in-Chief of the armed forces, has instructed the various agencies concerned with the shipment of war supplies to Soviet Russia to give them priority.

Stephen Early, White House Secretary, made public a letter, dated March 17, in which the President told Rear Admiral Emory S. Land, Chairman of the Maritime Commission and head of the War Shipping Administration, that he had found that "our protocol shipments to Russia are still far behind." He instructed Admiral Land to give Russian needs for military supplies a "first priority in shippings" and also informed him that he had instructed the Army, Navy and War Production Board to release the war materials promised to Russia as soon as possible.

The extension of aid to Russia is in accordance with the agreement reached in Moscow last October by the United States and Great Britain as reported in our issue of Oct. 9, page 527. The United States then granted a credit of $1,000,000,000 to Soviet Russia under the Lend-Lease Act (referred to in these columns Nov. 13, page 1038) and President Roosevelt authorized the transfer of defense supplies under the lend-lease program (noted in our issue of Nov. 20, page 1135).

Foreign Front

(Continued from First Page)

about any other aspect of the conflict, even that of invasion.

American and British production of war material finally is believed to have topped that of the Axis aggressors, or at any rate is about to do so. Large bombing airplanes can be flown to war zones, of course, but almost all other types of war supplies needs must be ferried to war fronts by means of cargo ships. The millions of American troops now being trained for service everywhere in the world also will have to be transported by ships.

Although the need for shipping was never more acute, the supply remains decidedly inadequate. Our own and British yards are turning out new ships at an accelerated rate, but it may well be another year before the available tonnage is so great that submarine and other sinkings can be relegated to second place in the war scheme. In the long run the Battle of Shipping promises to be one of the more important of the world conflict.

Fresh sinkings of merchant ships off our own Atlantic Coast were again reported almost every day, at the beginning of April. No less than four sinkings were noted last Sunday, inclusive of such incidents in Canadian Atlantic waters. Some of these reports clearly referred to developments in March, for it is often true that sinkings become known only after a considerable lapse, when survivors are picked up and brought into port. No official information is being divulged as to the tonnages lost in this manner.

Secretary of the Navy Frank Knox stated on Tuesday that actual sinkings since the beginning of April have taken a sharp downward course, in our own waters. The Secretary warned, however, that Axis submarines appear to be arriving in waves, to replace U-boats sunk or withdrawn for repair and relief of crews. The German High Command claimed on April 2 that total sinkings of United Nations shipping by German submarines and aerial bombers amounted to 646,900 tons, during March. Such German claims invariably are much exaggerated, but when account is taken of Italian and Japanese sinkings of United Nations shipping, the toll plainly is on a scale that imperils our immediate war effort.

The problem of the United Nations is not merely one of tonnage, but also of the long routes over which war supplies must be carried. From British and American centers, troops, tanks and fighter airplanes must be transported half-way around the world to reach Far Eastern areas of combat. With the Mediterranean closed to through shipping, supplies for the Near East also must travel great distances. In the first shipping were available to the Allies, but now are on the other World War, Japanese and Italian side.

Every ton of shipping is vital in the present circumstances, and there are many incidents to illustrate the problem. Eleven Norwegian merchant ships last week made a dash from Swedish ports for England, in an effort to escape litigation that had kept them moored at wharves. Some of the ships were sunk by German warships, and others had to return to Swedish ports, but a few apparently got through, to the satisfaction of British authorities. London refused to disclose the number that made the hazardous run safely in order to serve the United Nations.

The convoy problem for supplies to Russia is one of the more thorny aspects of the matter. German naval units are endeavoring to intercept the supply route to Murmansk, and larger escorts of warships now are the rule. Since Russia now is one of the crucial theaters of warfare, continuous and adequate supplies to the Russian fighters are imperative.

It is no secret that warships are available to the United Nations in quite inadequate tonnages for the tremendous convoying and fighting tasks faced on all seas. Specific information about the disposition of the British and American Navies naturally is a war secret. Nor is full knowledge available as to damaged vessels. Speaking only for the United States, however, it is evident that we are embarked on a seven seas war with a one-ocean Navy. The German High Command issued a recapitulation, last Friday, which claimed the sinking in February and March of one United Nations cruiser, eight destroyers and many smaller vessels. These claims are apart from actual and imaginary sinkings by the Japanese in the Far East.

The Axis also is losing both naval and merchant shipping at a high rate, and in some respects the losses may have a significance fully equal to that of United Nations sinkings. Japan is most vulnerable in this connection, since the extended supply lines of the Japanese Axis partner require large tonnages. Germany needs shipping for her coastal supply lines in Europe, and Italy has lost much shipping in the trans-Mediterranean routes. Such Axis losses can be viewed with satisfaction, but they do not alleviate our own problem of supply while the war continues.

Philippines and the Malay Barrier

Bitter fighting continues in the Philippines, and there are indications that the Japanese also are encountering further stern resistance in the Netherlands East Indian islands. The war in the Southwestern Pacific Ocean is far from over. It may be said, indeed, to have just begun, for the task of the United Nations to drive the Japanese invaders back to their homeland and defeat them there is certain to be the determinant of the war in that theatre.

In a general sense the war in Pacific Oceania appears to have reached a stalemate, for the time being. The conflict on Bataan Peninsula, in the Philippines, is regarded by the military experts as a sideshow, albeit a highly important one with many psychological aspects. The Japanese still are attempting to capture Port Moresby and other points on New Guinea and the nearby islands of Oceania. Heavy seasonal rains already have started in that region, however, and the actual fighting has diminished in recent days. The Monsoon rains are likely to hamper both friend and foe for some months to come. Lacking possession of Port Moresby the Japanese probably will hesitate at attacks on the Australian mainland, where American forces are concentrating to aid in the defense against the aggressor.

The indications are that the United Nations will be able to augment their defenses in Northern Australia and the points in Oceania still held by them, in coming months. Japanese forces are said to be encountering desperate resistance at isolated in Java and Sumatra, from Netherlands forces. The enemy also faces the problem of exploiting the oil reserves and other supplies of the region conquered by him since Dec. 7. A respite possibly will aid the Japanese, in this connection, and it is likely that counter-moves will be hastened for this reason.

American and other United Nations forces continued this week to assemble at bases in Australia from which one of the eventual assaults against the Japanese will be launched. No information is available as to the numbers of troops gathered for immediate defense and eventual offense from Northern Australia. It is well understood, however, that no effort is being spared in the preparations for warfare in the Far Pacific Ocean. Japanese fliers bombed Port Darwin again, over the last week-end, and some heavy raids were reported by United Nations fliers upon Rabaul and other centers of Japanese occupation. It was recognized, however, that these blows and counter-blows are not likely to prove decisive.

The shipping problem is one of the more important phases of the Pacific struggle, with all indications pointing to exceptional difficulties for the Japanese in supplying their numerous invasion forces. American submarines and other warships dealt heavy blows upon the Japanese supply lines in recent weeks. The Navy Department announced on Monday the sinking by our submarines of three Japanese freighters in waters off Japan and the Caroline Islands. On Tuesday a further report stated that a liner of 10,000 tons and a freighter of 5,000 tons had been sent to the bottom in the China Sea, the sinkings being in addition to those previously reported.

The Navy Department also had some unfortunate news to disclose, and the revelations were so belated as to occasion universal protests. As an aftermath of the Battle of the Java Sea, it was disclosed last Friday, the U. S. aircraft tender Langley, 11,050 tons, was sent to the bottom between Australia and Java on Feb. 27, while the ship was ferrying airplanes to the Java front. The Langley was damaged heavily by Japanese bombers, and finally sunk by our own forces to prevent her airplanes falling into the hands of the enemy. Almost all of the complement of the Langley went aboard the Navy Tanker Pecos, but that ship also was bombed and sunk several days later, and the loss of life was considerable.

The Navy Department also disclosed, amid releases of herioc action by our American personnel, that the destroyer Peary, 1,190 tons, had been bombed by the Japanese at Port Darwin, Australia, on Feb. 19 and sunk with all her guns blazing. Casualties in the sinkings of the Langley, Pecos and Peary were estimated at 700 men. No explanation was vouchsafed for the long delay in announcing the losses. Immediately after this disclosure was made the Navy Department indicated that U. S. submarines had sunk a light Japanese cruiser and five other enemy vessels in waters of the Java Sea and the Indian Ocean. The sequence of admitted losses and of claims of successes bolstered the impression that information is being disclosed with a view to its effect, rather than on the basis of simple truthfulness which the public obviously would prefer.

In the Philippines, meanwhile, the struggle moved into a new phase, and the gravity of the situation is hardly to be exaggerated. Although the Japanese are reported to be attacking only five of the 7,000 Philippine Islands, the regions under attack obviously are vitally important for defense of this outpost. Of the areas under attack, moreover, the Bataan Peninsula is by far the most important. The Japanese now are concentrating their fire upon General Jonathan Wainwright, and his valiant band on Bataan.

War Department reports of the last three days indicate a well organized and sustained Japanese attack at Bataan which is plainly designed to reduce that bastion. Exceedingly heavy artillery fire has been augmented by infiltrations and land attacks, and it was admitted on Tuesday that heavy losses were sustained by our own forces, as well as by the Japanese. The enemy, moreover, was said to be making some progress. This may or may not suggest an early end of the Bataan Battle, but the value of the defense in the Philippines is not open to question, for it established the prestige of American soldiers in the Far East as nothing else could have done.

Asian Mainland

Both diplomatic and military conflicts were waged this week between the United Nations and the Axis aggressors for control of the Asian mainland, and the results were not conclusive. Japanese forces continued their moves against British Empire units in Burma. This offense threatens to shut off the supply line to China, and it entails for this reason an exceptionally grave threat to the United Nations position in the Far East. In the long run, however, the negotiations respecting India may prove to be of even greater significance.

Sir Stafford Cripps, special British envoy to India, discussed endlessly the problems of the "brightest jewel in the British Crown" of Empire, this week. The Indian leaders, however, were still indisposed toward the proffer of full Dominion status after the end of the war, which Sir Stafford laid before them. Direction of the Indian defense effort appeared for a time to be the point of issue, but when Sir Stafford Cripps suggested the appointment of an Indian as Defense Minister, the concession still seemed inadequate to the Indian Nationalist leaders. Through United States Minister to India Louis A. Johnson, President Roosevelt is said to have intervened in the Indian dispute, but the effectiveness of such intervention remains to be demonstrated.

As the spiritual leader of Hindu India, Mahatma Mohandas K. Gandhi insisted upon immediate independence, without resort to violence either against Great Britain or the Japanese attackers of India. Jawaharlal Nehru and Maulana Abul Kalam Azad, as the political guiders of Hindu India, likewise declared for prompt independence, and the Indian Nationalist Congress followed these leaders. The Moslems awaited a decision by the Hindus, and the entire problem remains unsettled.

The Japanese, meanwhile, resumed their attack against Burmese positions held by British Empire units. By direct attacks and infiltration tactics the enemy moved north of Prome and closer to the vitally important Burma oil fields. Mandalay was devastated in an aerial attack by incendiary bombs. The Burma Road supply line for China seems to be of little immediate use, although some supplies are said to be reaching China by way of defiles through the mountains between India and Burma.

Japanese spokesmen are calling upon the Indians to assert their independence, and they now have indicated the punishment they intend to visit upon their fellow Asiatics if the demands are ignored. The harbor of Colombo, Ceylon, was bombarded from the air, late last week, and several ports on the Eastern shore of the Indian Peninsula were hammered this week, without much effect. American and other United Nations fliers meanwhile blasted the Japanese in their new positions at Rangoon and elsewhere in Asia. Chinese divisions aided the British in the defense of Burma, and every effort was made to prevent the enemy from attaining the oil area of that British Crown Colony.

Russian and German Claims

Military action now is proceeding with fierce intensity on the long Russo-German front, but the developments are obscured rather than clarified by the claims and counter-claims put forward by the contestants. There is no more important battle than that which now is unfolding on the Russian plains. The fighting in other areas may eventually turn out to have equal significance, but both professional and "arm-chair" strategists are agreed that the entire war may be decided this spring in Russia. Reports from the Russian front are viewed with corresponding interest.

What is clear concerning the tremendous struggle is that the spring thaw is moving northward from the Crimea into the Moscow sector, and is occasioning even greater masses of mud than usually is the case. The past winter was extremely severe and the break-up tends to bog the armies down correspondingly. Nevertheless, reports from both sides tell of prodigious efforts by the armies.

The Russians, it is evident, are trying to effect that final smashing of the German lines for which they strove since the German advance was turned into retreat last Dec. 8. The Communist tendency of putting forward tremendous claims is in full flower. Since the beginning of April not a day has gone by without assertions in Moscow that 25,000 to 40,000 Germans were killed. The aerial bag for the last seven days approximates 500 German airplanes, and the Russians themselves lost less than 100, according to Moscow. The official reports, however, fail to list any territorial gains.

Berlin assertions were generally to the effect that heavy fighting was in progress, with all Russian assaults repulsed. The German radio stated on Tuesday that in the five previous days 307 Russian airplanes were shot down, while hardly any German losses were conceded in the air over the Russian front. Even Berlin admitted, on the other hand, that the powerful Russian drive was progressing in the Lake Ilmen area, south of Leningrad, where the ground still is frozen.

Just what the next phase of the Russian battle may bring is, of course, beyond prediction. Sizable supplies have been sent to Russian ports during recent months by Britain and the United States, and some of the material deficiencies of the Russians thus have been made up. Extraordinary aggregates of man and machine power have been accumulated by the Russians and the German enemy, and the coming battles may be even more sanguinary than those of last summer.

Western Europe

Extremely heavy aerial bombing now marks the direct conflict in Western Europe between the United Kingdom and the German Reich, while British Commando raids against German posts appear to be strengthening. As the fighting develops on other fronts, these activities unquestionably will be stepped up. Whether they can be decisive at this time is not clear, for invasion probably must be attempted on a huge scale to bring about a real military turn of affairs.

No less than 300 British bombing airplanes soared over the Continent in a single 24-hour period, Monday. This was one of the most severe actions of its kind, and may have exceeded even the heaviest German attacks of 1940 and 1941. The German industrial district of the Rhineland was hammered to great effect, and some bombs also were dropped in the Paris area, where certain plants are reported to be working for the Germans. Reich fliers heavily attacked the Dover area of England, over the last week-end.

Fresh developments, involving American activities, possibly impend in the struggle, for a fresh American military mission arrived in London, yesterday, with Harry Hopkins, personal assistant of President Roosevelt, sitting in on the conferences with British military advisers. A sizable U. S. contingent now is in Northern Ireland, awaiting action or transfer to other sectors. That a British-American front may be established in Russia, later in the year, is not regarded as out of the question.

Mediterranean Battle

Little more than aerial raids marked the fighting in the Mediterranean region during the early days of April, and the impression still prevails that action there will be coordinated with other battles. British Empire units are known to have been concentrated in force in Libya, and a large German-Italian mechanized army faces the British. The fighting season is waning, moreover, and fresh activity may develop soon for this reason.

Axis aerial attacks were continued with reckless ferocity against the British base at Malta, scores of enemy bombers ranging over Valetta daily. The base has been newly reinforced, however, and the Germans and Italians paid dearly in planes shot down. British fighter planes and anti-aircraft fire both took a heavy toll of the enemy. Military damage was modest in Valetta.

In the Eastern Mediterranean the Germans bombed Alexandria heavily, Tuesday, but few other moves were made. Turkey remains under diplomatic pressure, without giving any signs of changed policies. A German drive eastward through Turkey is not so confidently predicted, now that the battle is unfolding in Russia. A human touch was supplied in this struggle over the last week-end, when British and Italian hospital ships met at Smyrna, and exchanged prisoners wounded so badly as to be unable to resume combat.

From Washington

(Continued from First Page)

conferring with the President, he gave expression to an "idea" for increasing production. We should set up some "industrial commandos," he said. They would refuse to take "no" for an answer. If the military called upon a certain industry to perform a certain task and the industry simply could not do it the "commandos" would sweep in and take charge. The "commandos" would be made up of men who have not heretofore been attractive to industry, he said. He means by this, of course, that they would be men so brilliant and so efficient that industry has naturally not wanted them around.

If this were an isolated "idea" it would not be worth passing on, but it is one that will develop with agitation. Much will be heard of it in the future and in the end it is not at all unlikely that in addition to the burdens under which industry is already operating it will have to contend with these additional flying squadrons of jackasses. Furthermore, it is typical of the trend in Washington.

Somehow it has occurred to none of the New Dealers that the war goods must be produced by industry and that the more they let industry alone the more goods will be produced. The whole tendency is to set up bureau after bureau. Just how an industrialist after "conferring" with them, after contending with them, has any time left to devote to his industry is difficult to understand.

Somehow or another, the American people have got to get it through Washington's bureaucratic head that it cannot produce the goods necessary to win the war. It is a commentary on something that the men who are doing it, who must continue to do it, are the Ernest Weirs, the Tom Girdlers, the Henry Fords, whom the New Dealers despised.

It would be a tremendous thing if the whole bureaucratic structure could be struck down and a new start made. One simple bureau could then be set up, insofar as the production front is concerned, to see that the necessary raw materials get to the plants turning out the war goods, to coordinate their flow to shipbuilding, to tank building, to planes as need might be. The bureau could serve like the dispatchers on a railroad. When a manufacturer wants empty cars the dispatcher knows where they are and orders a train to pick them up and deliver them. As it is this country is being put in such an economic strait-jacket that the whole thing is liable to end up in one gigantic log jam.

It is no secret here that the necessary materials are not flowing freely. The work in many plants is being held up for lack of them. And a Congressional Committee has reported that when the employes see the work being slowed down they take it to mean a disinterestedness on the part of the employers which in turn makes them surly and dispirited.

The solution to this situation is not more bureaus or more men in the daily expanding War Production Board. It is fewer bureaus and fewer bureaucrats. Seemingly, everybody in the country wants to serve on a committee. The labor leaders are agitating for labor-management committees; Mrs. Roosevelt, if she has her way, will have everybody on a committee. Everybody will be "conferring." Nobody will be working.

A Congressional committee also wants some of the aviation producers to be drawn from their jobs and brought to Washington to "coordinate" the industry. Why not let them continue to turn out planes?

Mr. Roosevelt for several months has been trying to work out some coordination of his multiple publicity services. He can't accomplish it because manifestly the first job of the coordinator would be to get rid of the other agencies and at least two-thirds of those on the payroll. If this isn't to be done, nothing will have been accomplished by the new agency. And as it stands every agency has its influential friends at court prepared to resist any action being taken against it.

Factory Wage Rate Doubling World War I

Weekly earnings of industrial workers increased almost twice as fast in the first 28 months of this war as they did in the corresponding period of World War I, according to a comparison recently made by the Division of Industrial Economics of the Conference Board. At the same time, the rise in the cost of living has been less rapid than a quarter-century ago, says the Board, which further said:

> For wage earners in manufacturing industries, weekly earnings rose an average of 19.0% from July, 1914, through October, 1916, and 36.4% from September, 1939, through December, 1941.
>
> But in terms of the cost of living, the rise in "real" earnings since September, 1939, amounted to 19.9%, or more than three times as much as the 5.9% increase in the period from July, 1914-October, 1916.
>
> At the start of World War I, employees in the 25 industries regularly surveyed by the Conference Board were receiving in actual dollars and cents an average of $12.68 per week. In September, 1939, workers in these industries were getting an average of $27.58 per week, or 118% more. Since the outbreak of war, an additional increase of 31% has occurred.
>
> While earnings thus increased tremendously, the cost of living advanced only 39% from July, 1914, to the start of the present war, and only 9% since September, 1939, leaving a substantial net improvement in the standard of living of American workers.
>
> Not only were earnings much smaller in July, 1914, than in September, 1939, but workers in the earlier month put in an average of 51.5 hours per week. In September, 1939, the average was only 38.2 hours per week. By December, 1941, increases in hours worked had occurred in the 25 industries, with the work week then averaging 41.6 hours.
>
> Although increases also occurred in the early part of the last war, wage earners in many industries were probably working close to the maximum number of hours. Any lengthening of the work week was therefore limited by the physical ability of the workers to take a larger part in production. The situation now is quite different since it is possible to expand the work week considerably without harmful effects on the health of workers.

Roosevelt Vows AEF Nation's Full Support

Disclosure was made in Washington on March 31 that each member of the United States Expeditionary Forces, upon departing for distant war fronts, receives a copy of a letter from President Roosevelt pledging them support "by the whole force and power of this Nation."

Stephen Early, White House Secretary, made this announcement following publication of the message received by members of the Army Expeditionary Force in Northern Ireland. While a similar letter goes to members of the Marine Corps Expeditionary Forces, Mr. Early said the letter was not being distributed to Navy men since they are on ships having no permanent bases.

The text of the President's letter distributed to the soldiers in Northern Ireland follows, according to Associated Press advices:

> *To Members of the United States Expeditionary Forces:*
>
> You are soldiers of the United States Army.
>
> You have embarked for distant places where the war is being fought.
>
> Upon the outcome depends the freedom of your lives; the freedom of the lives of those you love—your fellow citizens—your people.
>
> Never were enemies of freedom more tyrannical, more arrogant.
>
> Yours is a God-fearing, proud, courageous people, which throughout its history has put its freedom under God before all other purposes.
>
> We who stay at home have our duties to perform—duties owed in many parts to you—You will be supported by the whole force and power of this Nation. The victory you win will be the victory of all the people—common to them all.
>
> You bear with you the hope and confidence, the gratitude and prayer of your families and your fellow citizens and your President.
>
> FRANKLIN D. ROOSEVELT.

New Cotton Exch. Member

At a meeting of the Board of Managers of the New York Cotton Exchange held on April 2, John A. Northup, a partner of J. J. Williamson & Co. of Atlanta, Ga., was elected to membership in the Exchange. Mr. Northup is also a member of the Chicago Board of Trade.

25 Companies To Make Synthetic Rubber

Secretary of Commerce Jesse Jones announced on April 1 that contracts have been awarded to 25 chemical, petroleum and rubber companies for the production of synthetic rubber, expected to be more than 700,000 tons annually.

The plants participating in the program will begin to operate in the next 18 months and, it is said, if no unforeseen construction delays are encountered, all should be in production by the end of 1943.

The initial program called for 400,000 tons of synthetic rubber annually but this goal was recently raised to 700,000 tons of rubber. The cost of the production facilities for the program is estimated at $600,000,000 with the Rubber Reserve Co. and the Defense Plant Corp., both affiliates of the Reconstruction Finance Corp., engaging in the financing.

The following companies will participate in the program:

> Atlantic Refining Co., Carbide & Carbon Chemicals Co., Celanese Corporation of America, Cities Service Oil Co., Dow Chemical Co., E. I. du Pont de Nemours Co., Firestone Tire & Rubber Co., B. F. Goodrich Co., Goodyear Tire & Rubber Co., Gulf Oil Co., Humble Oil Refining Co., Hycar Chemical Co., Koppers Co., Monsanto Chemical Co., Phillips Petroleum Co., Pure Oil Co., Richfield Oil Corp., Shell Union Oil Corp., Sinclair Refining Co., Socony-Vacuum Oil Co., Inc., Standard Oil Co. of Indiana, Standard Oil Co. of New Jersey, Standard Oil Co. of Louisiana, the Texas Co., and United States Rubber Co.

Electrical Appliances Price Frozen By OPA

The Office of Price Administration on April 3 "froze" the retail, wholesale and manufacturers' prices of 44 electrical household appliances. The order, which became effective on April 7, sets the ceiling at prices prevailing on March 30. Acting Price Administrator John E. Hamm said that "this action has been taken to prevent runaway prices in view of the War Production Board's order of March 30 halting production of these and other electrical appliances on May 31." Mr. Hamm also stated that rationing of these articles is not now contemplated, predicting that present stocks of appliances in distributors' hand and in process of manufacture will be sufficient to last through most of 1942.

The OPA said that only those appliances having a rated electrical capacity up to 2,500 watts, or those powered by an electrical vibrator or electrical fractional horsepower are covered by the order. Items affected include:

> Biscuit and muffin makers, bottle warmers, bread toasters, broilers, casseroles, chafing dishes, cigar and cigarettes lighters, clothes dryers, coffee makers, corn poppers, curling irons, deep fat fryers, double boilers, dry shavers, egg cookers, fan-type heaters, fans, flat irons, food and plate warmers, food mixers, griddles, hair clippers, hair dryers, hot plates and disc stoves, immersion heaters, juice extractors, massage vibrators, neckware and trouser pressers, ovens, pads and blankets, percolators, portable air heaters, roasters, sandwich toasters, smoothing irons, table stoves, tea kettles, tea tables, unit radiator heaters, urns, vaporizers, waffle irons, water heaters and whippers.

Cotton Bids For April 13

The Department of Agriculture announced on April 1 that bids will be considered April 13, 1942, for the purchase of cotton under the terms of the General Sales Program of Commodity Credit Corporation. The announcement also stated:

> The same procedure observed in connection with the sales made during Feb. and March will be followed, officials explained. Bids must be made on call based on New York or New Orleans July future contracts with sellers right to fix price. Delivery must be within 30 days after offers are accepted and prices will be fixed prior to delivery.
>
> Full information concerning the terms and conditions of the sale and required bid forms may be secured from the regional office of Commodity Credit Corporation, New Orleans, La.

It was also announced by the Department that in addition to the cotton sold under the General Sales Program, Commodity Credit Corporation will sell the 1938, 1939, and 1940 loan cotton pooled in accordance with the announcement made on July 31, 1941. It added:

> Approximately 33,000 bales are now held in these pools and offerings will be made from time to time as the necessary pool records are completed. The Regional Office at New Orleans will furnish all persons who have participated in the General Sales Program and others requesting the information with lists of the pooled stocks offered and full information concerning the terms and conditions of the sale.

Suspension Of Greek Interest Service Prolonged

The following announcement with regard to the Greek external debt was recently received by us from London:

> The Council of Foreign Bondholders and the League Loans Committee recall the bondholders' attention to the arrangement concluded in January, 1940, under which the Greek Government undertook to pay 43% of the interest on its external debt for the duration of the war, and confirm that the Greek Government made regular provision for the payment of maturing coupons in accordance with this arrangement up to and including April 1, 1941. It is to be noted that the interest service was maintained during the months following the Italian attack on Greece in October, 1940, and broke down only after the German invasion in April, 1941.
>
> The Greek Government has now informed the Council and the Committee that, as a result of the occupation of the whole territory of Greece by the enemy and the consequent loss of practically all its sources of revenue, and in view of the conditions of terrible distress and privation in which Greece and her people find themselves, it is compelled, to its deep regret, to prolong the suspension of payment of the service of the debt which was forced upon it in April, 1941. The Government has assured the Council and the Committee that as soon as possible after the liberation of Greece and the establishment of a measure of recovery in her economic life, it will carefully reexamine the situation and will collaborate with the representatives of the bondholders in order to reach a just and equitable settlement.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings *				Corporate by Groups *		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Apr. 7	118.11	106.92	116.41	113.70	107.62	92.50	97.16	110.70	114.08
6	118.17	106.92	116.22	113.70	107.62	92.20	97.16	110.52	113.89
4	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.52	114.08
3	STOCK EXCHANGE CLOSED								
2	118.10	106.92	116.22	113.70	107.62	92.20	97.00	110.52	114.08
1	118.03	106.92	116.22	113.70	107.62	92.20	97.00	110.52	113.89
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
20	117.80	106.21	115.63	113.12	107.09	91.34	96.85	109.79	112.93
13	117.33	106.21	115.43	112.93	107.27	91.34	96.85	109.60	112.75
6	117.32	106.21	115.63	112.93	107.27	91.62	96.85	109.79	113.31
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
20	116.32	106.56	115.82	113.31	107.80	91.62	96.85	110.34	113.50
13	116.27	106.74	116.41	113.50	107.80	91.77	97.16	110.70	113.50
6	117.02	106.74	116.41	113.50	107.80	91.91	97.16	110.70	113.70
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
23	117.51	106.92	116.22	114.08	107.62	91.91	97.31	110.70	113.70
16	117.60	106.92	116.41	113.89	107.62	91.91	97.31	110.52	113.70
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
High 1942	118.27	106.92	116.61	114.08	107.98	92.50	97.47	110.88	114.08
Low 1942	115.90	106.04	115.43	112.93	107.09	90.63	95.92	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.4
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago Apr. 7, 1941	117.45	106.04	116.61	112.37	106.39	91.19	96.85	110.15	112.19
2 Years ago Apr. 6, 1940	117.17	103.80	117.00	113.50	102.63	85.98	91.62	103.88	112.56

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
		Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Apr. 7	3.34	2.83	2.97	3.30	4.24	3.93	3.13	2.95
6	3.34	2.84	2.97	3.30	4.26	3.93	3.14	2.96
4	3.34	2.83	2.97	3.30	4.26	3.94	3.14	2.95
3	STOCK EXCHANGE CLOSED							
2	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.95
1	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.96
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
20	3.33	2.87	3.00	3.33	4.32	3.95	3.18	3.01
13	3.38	2.88	3.01	3.32	4.32	3.95	3.19	3.02
6	3.38	2.87	3.01	3.32	4.30	3.95	3.18	2.99
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
20	3.36	2.86	2.99	3.29	4.30	3.95	3.15	2.98
13	3.35	2.83	2.98	3.29	4.29	3.93	3.13	2.98
6	3.35	2.83	2.98	3.29	4.28	3.93	3.13	2.97
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
23	3.34	2.84	2.95	3.30	4.28	3.92	3.13	2.97
16	3.34	2.83	2.96	3.30	4.28	3.92	3.14	2.97
9	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
2	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
High 1942	3.39	2.88	3.01	3.33	4.37	4.01	3.19	3.02
Low 1942	3.34	2.82	2.95	3.28	4.24	3.91	3.12	2.95
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.8
1 Year ago Apr. 7, 1941	3.39	2.82	3.04	3.37	4.33	3.95	3.16	3.05
2 Years ago Apr. 6, 1940	3.52	2.80	2.98	3.59	4.71	4.30	3.23	3.03

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Electric Output For Week Ended April 4, 1942 Shows 13.1% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 4, 1942, was 3,348,608,000 kwh., which compares with 2,959,646,000 kwh. in the corresponding period in 1941, a gain of 13.1%. The output for the week ended March 14, 1942, was estimated to be 3,345,502,000 kwh., an increase of 12.4% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— April 4, '42	Mar. 28, '42	Mar. 21, '42	Mar. 14, '42
New England	9.3	9.8	10.4	10.7
Middle Atlantic	9.0	8.4	9.2	8.3
Central Industrial	10.2	10.1	11.0	9.9
West Central	11.5	12.4	12.7	11.6
Southern States	14.8	11.7	10.9	12.6
Rocky Mountain	13.3	13.6	13.4	13.2
Pacific Coast	28.3	28.8	27.2	29.1
Total United States	13.1	12.4	12.5	12.5

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Jan. 3	3,288,685	2,845,727	+15.6	2,558,180	1,619,265	1,542,000
Jan. 10	3,472,579	3,002,454	+15.7	2,688,380	1,602,482	1,733,810
Jan. 17	3,450,468	3,012,638	+14.5	2,673,823	1,598,201	1,736,729
Jan. 24	3,440,163	2,996,155	+14.8	2,660,962	1,588,967	1,717,315
Jan. 31	3,468,193	2,994,047	+15.8	2,632,555	1,588,853	1,728,203
Feb. 7	3,474,638	2,989,392	+16.2	2,616,111	1,578,817	1,726,161
Feb. 14	3,421,639	2,976,478	+15.0	2,564,670	1,545,459	1,718,304
Feb. 21	3,423,589	2,985,585	+14.7	2,546,816	1,512,158	1,699,250
Feb. 28	3,409,907	2,993,253	+13.9	2,568,328	1,519,679	1,706,719
Mar. 7	3,392,121	3,004,639	+12.9	2,553,109	1,538,452	1,702,570
Mar. 14	3,357,444	2,983,591	+12.5	2,550,000	1,537,747	1,687,229
Mar 21	3,357,032	2,983,048	+12.5	2,508,321	1,514,553	1,687,229
Mar. 28	3,345,502	2,975,407	+12.4	2,524,066	1,480,208	1,679,589
Apr. 4	3,348,608	2,959,646	+13.1	2,493,690	1,465,076	1,663,291

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	% Change 1941 over 1940	1939	1938	1937
January	13,219,304	11,683,430	+13.1	10,183,400	9,290,754	9,787,901
February	11,894,905	10,589,428	+12.3	9,256,313	8,396,231	8,911,125
March	12,965,158	10,974,335	+18.1	10,121,459	9,110,808	9,886,443
April	12,556,430	10,705,682	+17.3	9,525,317	8,607,031	9,573,698
May	13,216,962	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,187,225	11,026,943	+19.6	10,068,845	8,832,736	9,773,908
July	13,837,916	11,616,238	+19.1	10,183,255	9,170,375	10,036,410
August	14,118,976	11,924,381	+18.4	10,785,902	9,801,770	10,308,884
September	13,915,353	11,484,529	+21.2	10,653,197	9,486,866	9,908,314
October	14,765,945	12,474,727	+18.4	11,289,617	9,844,519	10,065,805
November	13,988,934	12,213,543	+14.5	11,087,866	9,893,195	9,506,495
December	15,095,452	12,842,218	+17.5	11,476,294	10,372,602	9,717,471
Total for year	162,762,560	138,653,997	+17.4	124,502,309	111,557,727	117,141,591

Labor Bureau's Wholesale Price Index Again Advanced Slightly In Mar. 28 Week

The Bureau of Labor Statistics, U. S. Department of Labor, announced on April 2 that during the last week of March, its comprehensive index of prices of nearly 900 commodities in primary markets again rose slightly, by 0.2%. Prices for agricultural products advanced moderately while industrial commodity markets continued steady under the influence of Government regulation. At 97.4% of the 1926 level, prices are the highest since the Autumn of 1928, and are 0.6% above the corresponding week of February of this year and nearly 19% above last year at this time.

The Bureau's announcement further said:

> Prices for hides and leather products rose 0.9% during the week largely because of higher prices for shoes and Brazilian goatskins.
>
> Food prices as a group advanced 0.4% and farm product prices increased 0.3% over the preceding week, and wholesale prices for cattle feed continued to advance. Sharp increases in prices for bananas, dried apricots, for mutton and fresh beef at Chicago, and for corn meal, glucose, molasses and eggs accounted for the advance in the foods group index. Quotations were lower for butter, cheese, pork, flour, citrus fruits, onions and tea. In the past year average prices for foods have risen 25%.

Higher prices for livestock, particularly cows, hogs, sheep and poultry, also for cotton, flaxseed, barley and corn were mainly responsible for the advance in the farm products group index which is at the highest point since October, 1929. Prices moved lower during the week for oats, rye, wheat and for steers.

Further accumulation of stocks of gasoline in the Mid-continent region continued to force prices for gasoline in that area to lower levels while gasoline in the California fields advanced. Average prices for bituminous coal rose slightly as a result of the increased freight rates which became effective March 18.

The movement in prices for building materials was mixed. Prices were higher for drain tile, linseed oil, rosin, oak flooring, and certain types of yellow pine and cypress lumber. Lower prices were reported for shellac, turpentine, for maple flooring and for yellow pine flooring, boards, lath and timbers.

The indexes for textile products, metals and metal products, chemicals and allied products, housefurnishing goods and miscellaneous commodities remained unchanged at last week's level.

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for Feb. 28, 1942, and March 29, 1941, and the percentage changes from a week ago, a month ago, and a year ago; (2) percentage changes in subgroup indexes from March 21 to March 28, 1942.

(1926=100)

Commodity Groups—	3-28 1942	3-21 1942	3-14 1942	2-28 1942	3-29 1941	Percentage changes to March 28, 1942, from 3-21 1942	2-28 1942	3-29 1941
All Commodities	97.4	97.2	97.1	96.8	82.0	+0.2	+0.6	+18.8
Farm products	103.4	103.1	102.3	102.0	73.2	+0.3	+1.4	+41.3
Foods	95.9	95.5	95.8	95.5	76.4	+0.4	+0.4	+25.5
Hides and leather products	117.6	116.6	116.4	116.3	103.5	+0.9	+1.1	+13.6
Textile products	95.9	95.9	95.9	94.9	79.2	0	+1.1	+21.1
Fuel and lighting materials	78.1	78.2	78.2	78.4	72.6	—0.1	—0.4	+7.6
Metals and metal products	103.7	103.7	103.7	103.7	97.9	0	0	+5.9
Building materials	110.6	110.4	110.2	109.9	99.7	+0.2	+0.6	+10.9
Chemicals and allied products	97.1	97.1	97.1	97.1	80.6	0	0	+20.5
Housefurnishing goods	104.1	104.1	104.1	104.1	91.2	0	0	+14.1
Miscellaneous commodities	89.7	89.7	89.4	89.1	77.8	0	+0.8	+15.3
Raw materials	98.3	97.6	97.4	97.4	76.3	+0.7	+0.9	+28.8
Semimanufactured articles	92.2	92.2	92.1	91.9	84.4	0	+0.3	+9.2
Manufactured products	97.9	97.9	97.9	97.4	84.8	0	+0.5	+15.4
All commodities other than farm products	96.1	95.9	95.9	95.6	84.0	+0.2	+0.5	+14.4
All commodities other than farm products and foods	95.3	95.3	95.2	95.0	85.4	0	+0.3	+11.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
Mar. 21, 1942, TO MAR. 28, 1942

Increases

Fruits and vegetables	4.5	Clothing	0.3
Shoes	1.6	Paint and paint materials	0.3
Hides and skins	0.9	Lumber	0.3
Livestock and poultry	0.9	Woolen and worsted goods	0.2
Cement	0.6	Other foods	0.2
Cattle feed	0.5	Bituminous coal	0.1
Other farm products	0.4	Brick and tile	0.1

Decreases

Grains	1.6	Dairy products	0.1
Cereal products	0.6	Meats	0.1
Cotton goods	0.4	Leather	0.1
Petroleum products	0.2	Furnishings	0.1

Vote Higher Pay For Men In Armed Forces

The Senate unanimously approved on March 30 a bill providing for substantial pay increases for enlisted men and lowest grade officers in the armed forces. Sponsored by Senator Johnson (Dem., Colo.), the measure is estimated to raise the cost of maintaining the armed forces by $282,000,000 annually. Under the bill the Army privates and Navy seamen will get $42 a month, instead of the $21 they now receive at the start of service. In addition, non-commissioned officers in the Army, as well as those of equivalent ranks in the Navy, Coast Guard, Marine Corps and Geodetic Survey, would also get higher pay. The measure, which now goes to the House, also provides for raising the pay of two grades of commissioned officers—second lieutenants and ensigns—from $1,500 to $1,800 a year and grants higher subsistence and rental allowances for all officers in the high grades.

Roosevelt, CIO Oppose Federal Sales Tax

President Roosevelt on April 7 again went on record as opposed to a Federal sales tax. At his press conference the President said that, in spite of the greatly increased burden income tax payers will have to bear under the Treasury's proposal for raising new war revenue, he still feels that imposition of a sales levy is wrong.

Opposition of the Congress of Industrial Organizations to a Federal sales tax was voiced before the House Ways and Means Committee on April 7. The labor organization advocated instead increased income taxes for individuals and corporations. President Philip Murray's statement, read to the House group by Ralph Hetzel, CIO economist, declared that the "ability to pay" system is not taken into account by the sales tax. Workers would be hardest hit by the levy, Mr. Murray said, while those capable of paying much higher income taxes would get off lightly.

Lumber Movement—Week Ended March 28, 1942

Lumber production during the week ended March 28, 1942, was 2% less than the previous week, shipments were 3% less, new business, 27% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 11% above production; new orders 36% above production. Compared with the corresponding week of 1941, production was 3% less, shipments, 1% greater, and new business 15% greater. The industry stood at 138% of the average of production in the corresponding week of 1935-39 and 136% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the first 12 weeks of 1942 was 3% below corresponding weeks of 1941; shipments were 3% above the shipments, and new orders 5% above the orders of the 1941 period. For the 12 weeks of 1942, new business was 24% above production, and shipments were 15% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 47% on March 28, 1942, compared with 38% a year ago. Unfilled orders were 13% greater than a year ago; gross stocks were 10% less.

Softwoods and Hardwoods

Record for the current week ended March 28, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1942 Week	1941 Week	1942 Previous Wk (Rev.)
Mills	470	470	472
Production	234,555	242,660	238,773
Shipments	259,511	257,439	266,570
Orders	318,203	276,919	251,387

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	377		108	
Production	220,846	—100%	13,709	—100%
Shipments	245,020	111	14,491	106
Orders	306,045	139	12,158	89

National Banks

The following information is from the office of the Comptroller of the Currency, Treasury Department:

VOLUNTARY LIQUIDATION

	Amount
Mar. 30—The First National Bank of Weatherly, Pa.	$125,000
Common stock	31,250
Preferred stock (local)	93,750

Effective as of the close of business Mar. 14, 1942.

Liquidating committee: Samuel W. Hamm, Harriet S. Warner and A. F. Hoegg, care of the liquidating bank.

Absorbed by: "The Hazleton National Bank," Hazleton, Pa.

BRANCH AUTHORIZED

Mar. 30—The National Bank of Sanford, Sanford, N. C.

Location of branch: No. 5 S. Steele St., Sanford, N. C.

COMMON CAPITAL STOCK INCREASED

	Amount of Increase
Mar. 30—The National Bank of Sanford, Sanford, N. C. From $64,850 to $100,000	$35,150

Moody's Daily Commodity Index

Tuesday, March 31	231.6
Wednesday, April 1	231.7
Thursday, April 2	232.3
Friday, April 3	*
Saturday, April 4	232.7
Monday, April 6	233.2
Tuesday, April 7	233.3
Two weeks ago, March 24	230.1
Month ago, March 7	229.2
Year ago, April 7	186.1
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—April 7	233.3
Low—Jan. 2	220.0

*Holiday.

Steel Industry, Sets New High Records—Priority Rated Business Floods Mills

Recently approved iron and steel expansion projects are located in steel-making centers from the Atlantic Seaboard to the Pacific Coast and are intended particularly to increase the nation's capacity for making plates and pig iron, states "The Iron Age" in its issue today (April 9). New steps in the expansion, accelerated by ever-growing war demand, includes the building of four blast furnaces, two plate mills and installation of facilities at more strip mills to produce plates, adds that publication, which further goes on to say:

"Steel ingot production this week squeezed out another all time tonnage record, with operations gaining a half point to 99% of capacity, according to "Iron Age" estimates. The week's gain was due to minor advances in several areas, with only one district, Cleveland, showing a decline. Pittsburgh, Chicago and Youngstown, the nation's three largest producing centers, continue to operate at 100% of capacity or better.

"Pittsburgh and Chicago operations this week are unchanged at 100 and 104.5% respectively, with Youngstown holding at 100%. Philadelphia is up a half point to 91%, while Cleveland is down 1½ points to 95.5% due to repairs. Buffalo rose three points to 109.5%. Wheeling and Birmingham are unchanged at 83 and 99% respectively, while St. Louis gained two points to 103%. Detroit is unaltered at 105%, as is south Ohio River at 104%.

"Meanwhile the steel industry, which has lifted production far beyond the levels expected, reports another flood of orders. At New York, for example, the emphasis is not only upon plates and shell steel but on light steel for ammunition boxes, bomb cases and similar items. Many steel companies report March shipments included 96 to 97% priority rated business and believe that 99 to 100% of April business will be rated tonnage. In some instances as much as 90% of current steel shipments involve bookings with A-3 ratings or higher.

"Since Army, Navy, Maritime Commission and Lend-Lease classifications will take practically all steel output for the remainder of 1942 other types of business, however essential, will be pushed aside. Lend-Lease orders for Russia are increasing sharply and cover vast tonnages. One order alone involves more than 100,000 tons of oil casing and from 30,000 to 40,000 tons of line pipe.

"An Ohio defense town housing project, carrying an A-4 rating, may be halted because of the inability of the steel company to supply reinforcing bars. This project, however, was going to receive the necessary structural steel. A project to supply as many as 50 million stirrup pumps, requiring a considerable tonnage of electric welded tubing, is unlikely to get a rating which would permit shipping of the material.

"Reports from some machine tool centers indicate that the detailed statistics on prospective deliveries required by the WPB frequently are obsolete before they are put in the mail and are of little value at Washington. Frequently a rush of A-1-a business forces a complete redrawing of machine tool shipping schedules.

"Some tin plate manufacturers who must obtain their black plate from wide strip mills already jammed with plates and sheets this week were fearful that the A-1-c rating authorized for tin plate may be too low to enable continuous production. Some steel producers with wide strip mills are likely to run into difficulties in producing the urgently needed tin plate.

"During the last 10 days, steel salesmen have started on a hunt for high-rated orders for finishing lines operating at a subnormal rate. Thus, a company with its bar mills heavily taxed with A-1-c or higher orders will seek business for its finishing mills to balance out production. Other steel salesmen are becoming specialists on the operations of the priority system.

"Fabricated structural steel awards for the week are estimated at 33,500 tons compared with 23,100 tons last week, with new projects at 51,900 tons against 46,500 tons a week earlier. Reinforcing steel awards for the week rose to 37,950 tons from 30,650 tons last week while new projects climbed to 5,300 tons from 1,865 tons."

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

April 7, 1942, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.		2.30467c.	
1940	2.30467c.	Jan. 2	2.24107c.	Apr. 16
1939	2.35367c.	Jan. 3	2.26689c.	May 16
1938	2.58414c.	Jan. 4	2.27207c.	Oct. 18
1937	2.58414c.	Mar. 9	2.32263c.	Jan. 4
1936	2.32263c.	Dec. 28	2.05200c.	Mar. 10
1935	2.07642c.	Oct. 1	2.06492c.	Jan. 8
1934	2.15367c.	Apr. 24	1.95757c.	Jan. 2
1933	1.95578c.	Oct. 3	1.75836c.	May 2
1932	1.89196c.	Jul. 5	1.83901c.	Mar. 1
1931	1.99629c.	Jan. 13	1.86586c.	Dec. 29
1930	2.25488c.	Jan. 7	1.97319c.	Dec. 9
1929	2.31773c.	May 28	2.26498c.	Oct. 29

Pig Iron

April 7, 1942, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	23.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

	High		Low	
1941	$23.61	Mar. 20	$23.45	Jan. 2
1940	$23.45	Dec. 23	$22.61	Jan. 2
1939	22.61	Sep. 19	20.61	Sep. 12
1938	23.25	Jun. 21	19.61	Jul. 6
1937	23.25	Mar. 9	20.25	Feb. 16
1936	19.74	Nov. 24	18.73	Aug. 11
1935	18.84	Nov. 5	17.83	May 14
1934	17.90	May 1	16.90	Jan. 27
1933	16.90	Dec. 5	13.56	Jan. 3
1932	14.81	Jan. 5	13.56	Dec. 6
1931	15.90	Jan. 6	14.79	Dec. 15
1930	18.21	Jan. 7	15.90	Dec. 16
1929	18.71	May 14	18.21	Dec. 17

Steel Scrap

April 7, 1942, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	19.17

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan. 7	$19.17	Apr. 10
1940	21.83	Dec. 30	16.04	Apr. 9
1939	22.50	Oct. 3	14.08	May 16
1938	15.00	Nov. 22	11.00	Jun. 7
1937	21.92	Mar. 30	12.92	Nov. 10
1936	17.75	Dec. 21	12.67	Jun. 9
1935	13.42	Dec. 10	10.33	Apr. 29
1934	13.00	Mar. 13	9.50	Sep. 25
1933	12.25	Aug. 8	6.75	Jan. 3
1932	8.50	Jan. 12	6.43	Jul. 5
1931	11.33	Jan. 6	8.50	Dec. 29
1930	15.00	Feb. 18	11.25	Dec. 9
1929	17.58	Jan. 29	14.08	Dec. 3

The American Iron and Steel Institute on April 6 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.6% of capacity for the week beginning April 6, compared with 98.8% one week ago, 97.4% one month ago and 99.3% one year ago. This represents a decrease of 0.2 point, or 0.2% from the preceding week. The operating rate for the week beginning April 6 is equivalent to 1,674,800 tons of steel ingots and castings, compared to 1,678,200 tons one week ago, 1,654,500 tons one month ago, and 1,602,600 tons one year ago. Weekly indicated rates of steel operations since March 31, 1941, follow:

1941—	
Mar 31	99.2%
Apr 7	99.3%
Apr 14	98.3%
Apr 21	96.0%
Apr 28	94.3%
May 5	96.8%
May 12	99.2%
May 19	99.9%
May 26	98.6%
Jun 2	99.2%
Jun 9	98.6%
Jun 16	99.0%
Jun 23	99.9%
Jun 30	91.8%
Jly 7	94.9%
Jly 14	95.2%
Jly 21	96.0%
Jly 28	97.6%
Aug 4	96.3%
Aug 11	95.6%
Aug 18	96.2%
Aug 25	96.5%
Sep 2	96.3%
Sep 8	96.9%
Sep 15	96.1%
Sep 22	96.8%
Sep 29	96.9%
Oct 6	98.1%
Oct 13	98.4%
Oct 20	97.8%
Oct 27	99.9%
Nov 3	98.2%
Nov 10	96.6%
Nov 17	97.0%
Nov 24	95.9%
Dec 1	97.6%
Dec 8	97.5%
Dec 15	97.9%
Dec 22	93.4%
Dec 29	96.1%
1942—	
Jan 5	93.8%
Jan 12	95.1%
Jan 19	95.0%
1942—	
Jan 26	94.6%
Feb 2	95.0%
Feb 9	95.5%
Feb 16	96.2%
Feb 23	96.3%
Mar 2	97.2%
Mar 9	97.4%
Mar 16	97.9%
Mar 23	99.0%
Mar 30	98.8%
Apr 6	98.6%

"Steel" of Cleveland, in its summary of the iron and steel markets, on April 6 stated:

New production records in pig iron and steel and opening of the iron ore season at the earliest date ever known forecast probably the greatest activity ever attained by the steel industry.

Numerous steelmakers established new high marks in March, among other accomplishments being a daily and monthly blast furnace production figure by a Michigan stack, claimed as a new world record. The increasing tempo was well under way when the War Production Board asked acceleration and will provide excellent reports as of April 1, when first production figures are asked. That the records were made in the face of scrap shortages makes them the more impressive. Various factors promise further increase as new equipment and methods now under way produce results.

Opening of the iron ore shipping season 12 days earlier than the record set last year indicates the effort to bring down the expected 5,000,000 tons or more above the record total of 1941. In March 792,558 tons were loaded at upper lake ports, the first cargo of about 10,000 tons reaching a Cleveland dock March 28. Last year the first arrival was April 9, then a new record. Most of the ore fleet now is in service.

While plate demand leads all steel products, ship-building contributing most, bars are becoming almost as important. Requirements for shells are a large factor and allocations are being made to cover needs of the Army and Navy. One lot of 11,000 tons was distributed recently for delivery to shellmakers in the East and other tonnages are about to be provided for the Middle West. This heavy demand for munitions manufacture has crowded other bar users severely and agricultural implement manufacturers have been forced to curtail some of their lines. Alloy grades of bars are in greatest demand and top priorities are applied to most of the tonnage.

Steel production last week edged upward ½-point to 98%, the same rate as prevailed a year ago, though the larger capacity now available means greater tonnage than a year ago. Pittsburgh advanced ½-point to 96½%; Chicago ½-point to 104½, equal to its all-time record of December; Cleveland gained 1 point to 90½% and St. Louis 4 points to 87%. Detroit receded 5 points to 88%. Unchanged rates were held at other points: Birmingham 95, Cincinnati 92, Wheeling 82½, New England 80, Buffalo 93, Eastern Pennsylvania 90 and Youngstown 94.

Some relief in the beehive coke situation is expected from reopening of a large coking coal operation in the Connellsville region and rehabilitation of about 500 ovens to process the coal. By-product coke oven expansion is proceeding faster than the program asked by WPB.

Scrap supply holds the improvement of the past fortnight and steelmaking equipment returned to service recently after idleness for its lack continues in service. Effect of the various organized campaigns to search out and move dormant scrap is more apparent and tonnage in the aggregate is large enough to have a decided effect. Some allocations still are necessary to assure good distribution and melters whose stocks have been depleted have asked assistance in some instances. Weather conditions have had much to do with freer movement and indications are the shortage will not reappear before next winter.

Office of Price Administration has amended regulations on scrap without changing prices on standard grades. The changes related principally to special grades and differentials. Cast iron borings for chemical use are placed on a uniform $5 premium instead of $3 and $5 previously. High-manganese steel takes a premium of $7 over heavy melting steel to conserve manganese. Several railroad grades for special purposes are placed on a premium basis to prevent their misuse. The changes are designed to provide relief to certain classes of consumers who formerly found difficulty in obtaining their requirements.

Office of Price Administration having made no changes in prices affecting price composites, they remain at the level of several weeks: Finished steel $56.73; semifinished steel $36.00; steelmaking pig iron $23.05; steelmaking scrap $19.17.

New Savings Accounts Have Stimulated Mortgage Loans, Says Frazier of ABA

Addressing the recent Real Estate Mortgage Clinic in New York on March 26, Stuart C. Frazier, President of the Savings Division of the ABA, observed that "the trend of a discussion on savings business and real estate mortgages would not be unlike a talk on 'Armaments and War Victory'." "You will all agree," he said, "that without the former, you cannot successively prosecute the latter—in either case. Is it not true," he continued, "in both instances that until very recent months we, as bankers, have been exceedingly indifferent towards the stimulation and development of new savings business, even in face of vigorous and growing competition, and that our national leadership developed a sense of complacency and security on the part of the populace in the face of known accomplishments of stupendous armament programs on the part of world forces opposed to the Democratic idea?" He added:

Would not banks which have in the past seven or eight years discouraged the acceptance and growth of savings deposits by either outright refusal or by interest rate reductions beyond a commensuate shrinkage in investment returns, have been better off to have assumed a broader and longer range viewpoint with respect to the peoples' savings, which they now so earnestly seek?

We can't make mortgage loans without savings. This is an undeniable statement, whether such savings be in banks, life insurance companies, or savings and loan associations. It follows that banks cannot maintain the important place they have been occupying in the mortgage field if they are going to pursue vacillating policies with regard to acceptance of savings deposits.

* * *

We all know that the trend of savings deposits in the immediate past has been downward. This is in direct contrast to the British war time experience, where in the past year alone amounts due depositors in savings banks have increased by approximately 10% and the number of depositors has increased approximately 6%.

Compare this to the actual decline of savings deposits in mutual savings banks in this country of over 1%. While the year-end figures for savings deposits in commercial banks are not available to this date, spot inquiry indicates that a similar trend was experienced by this group of institutions. It is true that we can attribute part of this directly to the sale of defense bonds and hoarding, but more correctly, I believe, it can be attributed to the philosophy which we might call the "Undesirability of Savings Deposits" with which a very large number of banks doing a savings business have so successfully imbued the public in recent years.

It is not only my opinion but that of many others that we cannot properly discuss the mortgage end of our business and the future thereof without having formulated a well established and sound policy with respect to our savings.

* * *

As to financing of defense housing, I should like to ask a couple of questions:

1. If banks are doing their part with regard to stimulation and development of new savings, is it not logical that a goodly portion of these savings will be available for mortgage investment?

2. Except for a moderate amount of refinancing available on existing structures at competitive rates, is it not true that the principal volume of new mortgage business must be obtained from the financing of defense housing, at least for the duration of the war? To me, the answer is "yes" on both.

In concluding his remarks, Mr. Frazier said:

We all know that there is a tremendous amount of housing yet to be constructed. If privately chartered financial institutions do not do their part in financing new residential construction, we know that the Federal Government will, and rightfully so. In other words, the housing will be built because it is a war time requisite and the effect on existing residential values will be the same whether or not banks participate in this war essential. Is it not better that we, as bankers, go into this job with our sleeves rolled up, rather than leave it up to the Federal Government and incur the risk of receiving another blotch on our record? The Government has provided the vehicle through which we can safely do it. As much as some of us might prefer it, we cannot risk the censure of becoming government bond investment trusts. Let's all go out "whole hog" for savings and mortgages and regain our former rank in these two fields.

1941 Cotton Loans

The Department of Agriculture reported on April 1 that Commodity Credit Corporation had made 1,123,247 loans on 2,169,164 bales of 1941 crop cotton through March 28, 1942. A total of 262,712 loans were repaid on 526,378 bales, leaving outstanding 860,535 loans on 1,642,786 bales.

Revenue Freight Car Loadings During Week Ended March 28, 1942 Totaled 804,746 Cars

Loading of revenue freight for the week ended March 28, totaled 804,746 cars, the Association of American Railroads announced on April 2. The increase above the corresponding week in 1941 was 10,943 cars or 1.4%, and above the same week in 1940 was 175,825 cars or 28.0%.

Loading of revenue freight for the week of March 28 increased 8,106 cars or 1% above the preceding week.

Miscellaneous freight loading totaled 370,716 cars, a decrease of 4,380 cars below the preceding week, but an increase of 24,520 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 143,550 cars, a decrease of 1,528 cars below the preceding week, and a decrease of 17,569 cars below the corresponding week in 1941.

Coal loading amounted to 156,048 cars, an increase of 3,141 cars above the preceding week, but a decrease of 12,779 cars below the corresponding week in 1941.

Grain and grain products loading totaled 33,714 cars a decrease of 1,894 cars below the preceding week, and a decrease of 3,240 cars below the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of March 28 totaled 20,457 cars, a decrease of 1,442 cars below the preceding week, and a decrease of 1,239 cars below the corresponding week in 1941.

Live stock loading amounted to 10,797 cars, an increase of 352 cars above the preceding week, and an increase of 402 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of March 28 totaled 7,753 cars, an increase of 112 cars above the preceding week, and an increase of 5 cars above the corresponding week in 1941.

Forest products loading totaled 45,921 cars, a decrease of 1,548 cars below the preceding week, but an increase of 5,896 cars above the corresponding week in 1941.

Ore loading amounted to 30,154 cars an increase of 14,191 cars above the preceding week, and an increase of 13,652 cars above the corresponding week in 1941.

Coke loading amounted to 13,846 cars, a decrease of 228 cars below the preceding week, but an increase of 61 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941 except the Eastern, Pocahontas, and Central Western. All districts reported increases over 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3.215,565
Four weeks of February	3,122,773	2,866,565	3.465,685
Week of March 7	770,697	742,617	620,596
Week of March 14	799,356	759,607	619,388
Week of March 21	796,640	769,984	620,375
Week of March 28	804,746	793,803	628,921
Total	10,152,485	9,386,985	8,170,530

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 28, 1942. During this period 71 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED MARCH 28

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	557	527	625	1,376	1,625
Bangor & Aroostook	2,343	2,300	2,053	263	220
Boston & Maine	7,825	8,476	6,892	17,072	13,491
Chicago, Indianapolis & Louisville	1,470	1,561	1,309	2,062	2,741
Central Indiana	29	17	24	58	73
Central Vermont	1,233	1,528	1,368	2,049	2,600
Delaware & Hudson	6,487	6,610	4,718	13,490	10,252
Delaware, Lackawanna & Western	8,161	9,822	8,509	9,268	8,926
Detroit & Mackinac	261	239	203	162	100
Detroit, Toledo & Ironton	2,172	3,218	2,462	1,401	1,556
Detroit & Toledo Shore Line	376	407	332	3,362	4,575
Erie	14,252	14,549	11,138	16,263	15,809
Grand Trunk Western	4,541	6,272	4,878	8,451	10,433
Lehigh & Hudson River	211	221	175	3,665	2,653
Lehigh & New England	1,425	2,098	1,909	1,319	1,662
Lehigh Valley	9,177	9,185	7,620	10,276	3,794
Maine Central	2,934	2,925	2,374	4,851	3,692
Monongahela	6,986	6,582	4,851	446	329
Montour	2,453	2,314	1,784	26	35
New York Central Lines	46,457	51,365	38,971	55,327	49,424
N. Y., N. H. & Hartford	12,430	11,815	8,993	19,996	16,154
New York, Ontario & Western	1,183	1,115	897	2,964	2,441
New York, Chicago & St. Louis	7,418	6,944	4,932	15,586	13,223
N. Y., Susquehanna & Western	518	441	393	1,567	1.925
Pittsburgh & Lake Erie	8,533	8,286	5,879	8,250	8,377
Pere Marquette	5,184	6,617	5,934	6,281	6,802
Pittsburgh & Shawmut	571	691	510	59	44
Pittsburgh, Shawmut & North	475	368	382	277	315
Pittsburgh & West Virginia	993	1,338	832	2,733	2,277
Rutland	522	619	594	1,144	1,235
Wabash	5,688	6,883	5,195	10,718	11,644
Wheeling & Lake Erie	4,912	5,230	3,035	4,770	4,630
Total	167,777	180,563	139,771	226,032	208,057
Allegheny District—					
Akron, Canton & Youngstown	645	577	421	1,175	1,059
Baltimore & Ohio	41,273	40,418	28,580	27,301	20,834
Bessemer & Lake Erie	3,037	4,755	2,415	1,934	2,104
Buffalo Creek & Gauley	*314	294	353	*2	4
Cambria & Indiana	1,994	2,002	1,352	12	7
Central R. R. of New Jersey	8,334	7,892	6,155	20,177	15,482
Cornwall	489	647	623	81	84
Cumberland & Pennsylvania	327	348	217	20	32
Ligonier Valley	149	158	96	45	43
Long Island	931	758	437	3,644	3,230
Penn-Reading Seashore Lines	1,803	1,454	1,116	2,676	1.831
Pennsylvania System	81,588	79,810	55,454	60,541	52,905
Reading Co.	15,714	17,118	13,857	29,495	23,945
Union (Pittsburgh)	21,509	20,109	13,399	3,822	5,091
Western Maryland	4,179	4,280	3,266	12,645	8,887
Total	182,286	180,620	127,741	163,736	135,538
Pocahontas District—					
Chesapeake & Ohio	28,476	27,754	22,884	13,670	13,056
Norfolk & Western	23,139	23,656	19,409	6,895	6,428
Virginian	4,491	5,150	4,175	2,265	1,633
Total	56,106	56,560	46,468	22.830	21.117
Southern District—					
Alabama, Tennessee & Northern	357	345	203	367	173
Atl. & W. P.—W. R. R. of Ala.	943	874	823	2,259	1,841
Atlanta, Birmingham & Coast	581	730	549	1,257	1,163
Atlantic Coast Line	13,440	12,189	10,063	9,304	6,738
Central of Georgia	4,338	4,623	4,045	4,270	3,866
Charleston & Western Carolina	389	450	433	1,975	1,824
Clinchfield	1,762	1,629	1,311	2,917	2,818
Columbus & Greenville	307	258	371	244	343
Durham & Southern	187	185	148	603	653
Florida East Coast	2,703	1,231	1,159	1,120	919
Gainesville Midland	44	35	29	122	107
Georgia	1,369	971	1,100	2,426	2,017
Georgia & Florida	394	423	275	611	694
Gulf, Mobile & Ohio	4,298	3,979	3,455	3,284	3,413
Illinois Central System	27,758	26,781	20,941	15,005	14,182
Louisville & Nashville	24,847	25,615	21,583	9,482	7,557
Macon, Dublin & Savannah	200	158	126	758	785
Mississippi Central	147	195	140	537	423
Nashville, Chattanooga & St. L.	3,411	3,631	2,947	3,840	3,617
Norfolk Southern	1,276	1,219	1,067	1,566	1,248
Piedmont Northern	464	469	426	1,268	1,558
Richmond, Fred. & Potomac	499	440	319	10,219	6,178
Seaboard Air Line	10,924	10,421	9,024	7,194	6,262
Southern System	24,500	25,439	20,369	22,155	18,440
Tennessee Central	732	511	431	858	690
Winston-Salem Southbound	125	152	136	993	930
Total	125,995	122,950	101,473	105,134	88,439
Northwestern District—					
Chicago & North Western	18,449	16,488	13,758	12,447	12,383
Chicago Great Western	2,616	2,613	2,289	2,946	3,324
Chicago, Milw., St. P. & Pac.	20,007	21,172	18,414	8,973	9,256
Chicago, St. Paul, Minn. & Omaha	3,350	3,586	3,327	3,801	4,007
Duluth, Missabe & Iron Range	5,544	840	555	362	280
Duluth, South Shore & Atlantic	705	528	403	611	475
Elgin, Joliet & Eastern	9,814	9,914	5,915	10,414	9,236
Ft. Dodge, Des Moines & South	443	465	433	154	139
Great Northern	14,211	10,806	9,639	4,509	3,806
Green Bay & Western	466	504	502	820	780
Lake Superior & Ishpeming	2,178	213	145	89	74
Minneapolis & St. Louis	1,769	1,777	1,587	2,192	2.441
Minn., St. Paul & S. S. M.	5,388	5,064	4,644	3,532	2,613
Northern Pacific	†8,925	9,430	9,990	†4,325	4,067
Spokane International	171	105	99	309	316
Spokane, Portland & Seattle	2,601	2,375	1,610	2,650	1,941
Total	96,627	85,880	73,225	58,134	55,138
Central Western District—					
Atch., Top. & Santa Fe System	21,639	19,294	17,546	8,906	7,192
Alton	3,501	3,762	2,654	3,866	2,994
Bingham & Garfield	577	656	520	132	117
Chicago, Burlington & Quincy	15,171	18,334	14,526	10,151	9,434
Chicago & Illinois Midland	2,831	2,699	1,969	804	940
Chicago, Rock Island & Pacific	11,206	12,066	10,622	11,489	10,377
Chicago & Eastern Illinois	2,450	3,390	2,529	2,951	3,227
Colorado & Southern	907	755	720	1,654	1,644
Denver & Rio Grande Western	2,530	2,763	2,068	4,201	3,111
Denver & Salt Lake	349	614	385	19	7
Fort Worth & Denver City	958	856	930	1,097	966
Illinois Terminal	2,218	1,946	1,865	1,751	1,729
Missouri-Illinois	1,261	923	795	582	400
Nevada Northern	2,003	1,943	1,900	151	181
North Western Pacific	1,117	786	609	457	421
Peoria & Pekin Union	22	10	9	0	0
Southern Pacific (Pacific)	27,095	25,578	20,446	9,866	6,253
Toledo, Peoria & Western	252	452	344	824	1,483
Union Pacific System	14,815	15,360	13,311	10,931	9,353
Utah	542	448	225	5	8
Western Pacific	1,662	1,673	1,339	3,012	2,112
Total	113,106	114,308	95,312	72,849	61,949
Southwestern District—					
Burlington-Rock Island	611	144	137	226	226
Gulf Coast Lines	4,580	3,082	2,690	2,936	1,746
International-Great Northern	2,119	1,859	1,591	2,689	2,174
Kansas, Oklahoma & Gulf	321	187	233	843	986
Kansas City Southern	4,306	2,255	2,118	2,897	2,716
Louisiana & Arkansas	3,106	2,136	1,969	1,996	1,816
Litchfield & Madison	391	407	343	1,043	1,042
Midland Valley	424	527	449	245	270
Missouri & Arkansas	268	175	188	396	409
Missouri-Kansas-Texas Lines	5,209	4,135	3,628	4,076	3,021
Missouri Pacific	15,633	15,930	12,598	14,977	10,014
Quanah Acme & Pacific	144	109	79	170	116
St. Louis-San Francisco	8,138	8,105	6,538	7,251	5,310
St. Louis Southwestern	3,440	2,620	2,206	5,201	3,158
Texas & New Orleans	9,649	7,344	6,181	4,636	3,518
Texas & Pacific	4,367	3,740	3,834	5,876	4,337
Wichita Falls & Southern	130	158	142	42	55
Weatherford M. W. & N. W.	13	9	7	22	29
Total	62,849	52,922	44,931	55,522	40,943

*Previous figures. †Report incomplete account wire trouble.

Note—Previous year's figures revised.

Bank Debits Down .51% From Last Year

Bank debits as reported by banks in leading centers for the week ended April 1, aggregated $11,707,000,000. Total debits during the 13 weeks ended April 1 amounted to $141,286,000,000 or 13% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 4% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 18%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

[In millions of dollars]

Federal Reserve District—	Week Ended April 1, 1942	Week Ended April 2, 1941	13 Weeks Ended April 1, 1942	13 Weeks Ended April 2, 1941
Boston	689	628	8,307	7,051
New York	4,427	5,092	54,378	51,876
Philadelphia	635	689	7,622	6,667
Cleveland	833	733	10,275	8,730
Richmond	483	408	5,814	4,868
Atlanta	376	340	4,962	4,101
Chicago	2,190	2,059	21,964	19,124
St. Louis	359	310	4,649	3,795
Minneapolis	190	175	2,605	2,072
Kansas City	335	297	4,533	3,693
Dallas	278	243	3.880	3,143
San Francisco	913	794	12,298	10,265
Total, 274 reporting centers	11,707	11,768	141,286	125,386
New York City*	3,999	4,720	49,212	47,391
140 other centers*	6,713	6,160	79,414	67,584
133 other reporting centers	995	888	12,660	10,411

*Included in the national series covering 141 centers, available beginning with 1919.

Inter-American Defense Board Holds Meeting

The Inter-American Defense Board, consisting of military, air and naval officials of the 21 American republics, held its formal opening session in Washington on March 30 and began consideration of measures for the defense of the Western Hemisphere. The officers, meeting at the Pan American Union building, heard speeches by Secretary of the Navy Frank Knox; Secretary of War Henry L. Stimson; Gen. George C. Marshall, Chief of Staff; Maj. Gen. Espinosa of Chile, senior officer of the Latin American delegates, and Dr. Diogenes Escalante, Venezuelan Ambassador, who is Acting Chairman of the Pan American Union governing board. The United States officials warned of the dangers facing the continent, promising that victory will be achieved, while the Latin officials pledged their complete support to measures of military defense. The delegates elected Lieut. Gen. S. D. Embich of the United States delegation as Permanent Chairman.

The Board was set up in accordance with a resolution adopted at the January conference of Foreign Ministers of the American Republics at Rio de janeiro.

With regard to remarks made at the initial meeting, the Associated Press reported:

Secretary Knox recalled that the war in 1940 was called the battle of Britain; in 1941 the battle of the North Atlantic.

"We must now prepare for an extension of the theatre of action to the South Atlantic and the entire Pacific," he said.

Mr. Knox pledged all possible naval material and naval training for the aid required by Latin America. But he urged each of the republics to "develop its own naval resources to the extent of its ability."

Secretary Stimson envisaged the Board as a "Common Council" where the needs of each nation would be understood and resources exploited. Both he and General Marshall promised that the United States would not cease its efforts short of victory.

General Marshall informed the delegates that the great purpose of the United States was "to gather all its forces for a major offensive at the earliest possible date."

Maj.-Gen. Espinosa said the spirit of Latin America held that liberty was "almost a biological necessity" and pledged his colleagues' support.

Dr. Diogenes Escalante told the delegates that "measures of military defense must take precedence over all other considerations" and declared that "if the history of the last two and a half years has taught one lesson, it is that every country of this continent is affected by a threat to any one of them."

Defense Bond Sales Down

Sales of United States Defense Savings Bonds in March amounted to $557,892,000, or 20.7% less than the $703,300,000 sold in February, the Treasury Department announced on April 3. It was explained by Treasury officials that the drop had been expected because of March income tax payments. The total sales of Defense Bonds since the campaign opened last May now amounts to $4,858,848,000. March sales were made up as follows: Series E, $337,599,000; Series F, $41,070,000; Series G, $179,223,000. Total cash deposits at the Treasury for all three series of bonds were given by months as follows: May, $349,818,000; June, $314,527,000; July, $342,132,000; August, $265,606,000; September, $232,327,000; October, $270,713,000; November, $233,487,000; December, $528,599,000; January, $1,060,546,000; February, $703,200,000; March, $557,892,000.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1941—Month of—					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640,188	649,021	554,417	98	--
December	743,637	760,775	530,459	93	--
1942—Month of—					
January	673,122	668,230	528,698	102	--
February	640,269	665,689	493,947	101	--
1941—Week Ended—					
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87
Dec. 13	149,021	163,226	553,389	101	88
Dec. 20	149,874	166,948	535,556	101	88
Dec. 27	116,138	124,258	523,119	76	88
1942—Week Ended—					
Jan. 3	147,419	140,263	530,549	86	88
Jan. 10	162,493	166,095	527,514	101	--
Jan. 17	167,846	165,360	525,088	102	102
Jan. 24	161,713	169,735	514,622	101	102
Jan. 31	181,070	167,040	528,698	101	102
Feb. 7	162,894	168,424	522,320	101	102
Feb. 14	156,745	167,424	510,542	101	102
Feb. 21	157,563	165,240	496,272	102	102
Feb. 28	163,067	164,601	493,947	100	102
Mar. 7	177,823	165,081	505,233	101	101
Mar. 14	140,125	166,130	476,182	100	101
Mar. 21	157,908	169,444	465,439	101	101
Mar. 28	144,061	168,394	442,556	100	101

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

Engineering Construction Down 40% In Week

Engineered construction for the week, $107,136,000, tops the volume for the corresponding 1941 week by 55%, but is 40% below last week as reported by "Engineering News-Record, April 2. Public construction for the week is 102% over a year ago, but 40% under a week ago. Private work is 45 and 38% lower, respectively, than last year and last week.

The current week's volume brings 1942 construction to $2,100,224,000, a gain of 37% over the total for the 14-week period in 1941. Private construction, $199,928,000, is 51% lower than in the period last year, but public work, $1,900,296,000, is 70% higher than a year ago as a result of the 124% increase in Federal work.

Construction volumes for the 1941 week, last week, and the current week are:

	April 3, 1941	March 26, 1942	April 2, 1942
Total construction	$68,989,000	$177,115,000	$107,136,000
Private construction	22,030,000	19,843,000	12,224,000
Public construction	46,899,000	157,272,000	94,912,000
State and Municipal	25,291,000	10,620,000	11,878,000
Federal	21,608,000	146,652,000	83,034,000

In the classified construction groups, gains over the corresponding 1941 week are in sewerage, public buildings, and unclassified construction. Increases over the preceding week's volumes are in waterworks, commercial building and large-scale private housing, earthwork and drainage, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $2,323,000; sewerage, $2,347,000; bridges, $263,000; industrial buildings, $3,704,000; commercial building and large-scale private housing, $8,130,000; public buildings, $53,284,000; earthwork and drainage, $723,000; streets and roads, $6,500,000; and unclassified construction, $29,862,000.

New capital for construction purposes for the week totals $994,925,000, an increase of 19% over the volume for the week last year. The current week's new financing is made up of $3,460,000 in state and municipal bond sales, $400,000 in corporate security issues, $65,000 in RFC loans for public improvements, $8,000,000 in RFC loans for defense plant construction; and $983,000,000 in Federal appropriations for construction.

New construction financing for 1942 to date, $2,414,379,000, is 11% above the $2,169,192,000 reported for the corresponding 14-week period a year ago.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report states that the total production of soft coal in the week ended March 28 is estimated at 11,150,000 net tons, indicating an increase of 200,000 tons, or 1.8%, over the preceding week. Production in the corresponding week of March, 1941, amounted to 11,697,000, which was the highest point reached during the year.

The U. S. Bureau of Mines reported that production of Pennsylvania anthracite for the week ended March 28 was estimated at 1,158,000 tons, an increase of 51,000 tons (about 5%) over the preceding week. When compared with the output in the corresponding week of 1941 there was an increase of 74,000 tons, or 6.8%. The calendar year 1942 to date shows a gain of 0.5% when compared with the corresponding period of 1941.

The estimated production of byproduct coke in the United States for the week ended March 28 was 10,300 tons less than the output for the previous week. Coke from beehive ovens showed an increase of 5,000 tons for the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

(Data for Pennsylvania anthracite from Weekly Anthracite and Beehive Coke Report of the Bureau of Mines; data for crude petroleum computed from weekly statistics of American Petroleum Institute.)

	Week Ended			January 1 to Date		
	‡Mar. 28 1942	Mar. 21 1942	Mar. 29 1941	§Mar. 28 1942	Mar. 29 1941	Mar. 27 1937
*Bituminous coal—						
Total, incl. mine fuel	11,150	10,950	11,697	136,104	131,446	129,642
Daily average	1,858	1,825	1,950	1,840	1,753	1,778
†Crude petroleum—						
Coal equiv. of weekly output	6,119,000	5,913,000	6,001,000	80,002,000	73,125,000	64,700,000

*Includes for purposes of historical comparison and statistical convenience the production of lignite.

†Total barrels produced during the week converted into equivalent coal assuming 6,000,000 b.t.u. per barrel of oil and 13,100 b.t.u. per pound of coal. Note the most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702).

‡Subject to revision.

§Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Calendar year to date		
	Mar. 28 1942	Mar. 21 1942	Mar. 29 1941	Mar. 28 1942	Mar. 29 1941	Mar. 30 1929
Penn. anthracite—						
*Total, incl. colliery fuel	1,158,000	1,107,000	1,084,000	13,923,000	13,851,000	18,350,000
†Commercial production	1,100,000	1,052,000	1,030,000	13,227,000	13,158,000	17,029,000
Beehive coke—						
United States total	154,400	149,400	137,300	1,845,000	1,583,600	1,562,500
By-product coke—						
United States total	1,158,700	1,169,000	‡	14,575,700	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

[In Thousands of Net Tons]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					¶March avge.
State—	Mar. 21 1942	Mar. 14 1942	Mar. 22 1941	Mar. 23 1940	Mar. 20 1937	1923
Alaska	4	2	3	3	2	**
Alabama	370	388	369	284	307	423
Arkansas and Oklahoma	40	50	71	24	52	77
Colorado	143	160	142	103	153	195
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,195	1,242	1,362	939	1,553	1,684
Indiana	474	495	583	335	523	575
Iowa	60	63	71	55	122	122
Kansas and Missouri	140	166	197	123	203	144
Kentucky—Eastern	806	775	910	642	898	560
Kentucky—Western	220	267	259	154	282	215
Maryland	41	40	40	31	36	52
Michigan	6	8	12	12	18	32
Montana	71	74	63	44	72	68
New Mexico	30	33	28	16	41	53
North and South Dakota	36	56	55	38	38	**34
Ohio	706	714	624	393	644	740
Pennsylvania bituminous	2,825	2,600	2,709	1,992	2,849	3,249
Tennessee	137	145	149	99	115	118
Texas	8	9	8	12	14	19
Utah	93	95	77	49	93	68
Virginia	346	386	363	251	333	230
Washington	33	34	41	25	38	74
*West Virginia—Southern	2,145	2,205	2,165	1,701	2,079	1,172
†West Virginia—Northern	675	903	827	597	767	717
Wyoming	140	132	142	89	132	136
‡Other Western States	2	2	1	1	1	**7
Total bituminous coal	10,950	11,050	11,272	8,013	11,365	10,764
§Pennsylvania anthracite	1,107	1,175	1,105	874	1,334	2,040
Total, all coal	12,057	12,225	12,377	8,887	12,699	12,804

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Fertilizer Ass'n Price Index Again Higher

The weekly wholesale commodity price index compiled by The National Fertilizer Association which was made public April 6, was again substantially higher in the week ended April 4, when it advanced to 125.7% of the 1935-1939 average. This index stood at 124.9 in the preceding week, 123.5 a month ago, and 103.7 a year ago.

The rise in the all-commodity index, now 21% above the level of a year ago, was due primarily to increased prices of foodstuffs, fuels, and textiles. The food price index is gradually moving up to the 1929 high level; last week price advances took place in butter, cheese, eggs, rice, beef, and sugar. The largest gain for the week was registered by the fuel index, which rose sharply as the result of higher prices for bunker oil, gasoline, and kerosene. The textile price average advanced, recording another advance in raw cotton and several cotton materials. Although grain prices were sharply lower, the effect of these declines on the farm product price index was more than offset by increases in cotton and livestock prices; the net result was an upturn in the group average for the seventh consecutive time. The building material index was slightly higher last week. The only group to move to lower levels was the index of fertilizer materials, which declined fractionally due to lower cottonseed meal and blood quotations.

During the week 25 price series included in the index advanced and 11 declined; in the preceding week there were 29 advances and 10 declines; in the second preceding week there were 24 advances and 12 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[*1935-1939 = 100]

% Each Group Bears to the Total Index	Group	Latest Week Apr. 4 1942	Preceding Week Mar. 28 1942	Month Ago Feb. 28 1942	Year Ago Apr. 5 1941
25.3	Foods	122.4	121.8	121.9	98.4
	Fats and Oils	136.8	136.2	135.8	92.4
	Cottonseed Oil	159.0	159.0	159.0	94.0
23.0	Farm Products	136.4	136.2	132.7	98.6
	Cotton	193.2	189.8	182.9	106.5
	Grains	110.8	116.0	119.4	91.5
	Livestock	131.8	130.7	125.7	98.0
17.3	Fuels	117.4	114.0	113.3	102.2
10.8	Miscellaneous commodities	128.1	128.1	127.3	113.7
8.2	Textiles	149.0	148.4	146.6*r*	119.9
7.1	Metals	104.4	104.4	104.4	103.4
6.1	Building materials	139.9	139.8	134.8	115.3
1.3	Chemicals and drugs	120.3	120.3	120.3	104.0
.3	Fertilizer materials	118.8	118.9	118.3	106.4
.3	Fertilizers	115.3	115.3	115.3	102.0
.3	Farm machinery	104.1	104.1	103.8	99.8
100.0	All groups combined	125.7	124.9	123.5*r*	103.7

r Revised. *Indexes on 1926-1928 base were: April 4, 1942, 97.9; March 28, 1942, 97.3; April 5, 1941, 80.8.

Warn Against Labor Laws Making Disunity

Opposition of organized labor to legislation abolishing overtime pay for work in excess of the 40-hour week was expressed on March 26 by William Green, President of the American Federation of Labor, and by Philip Murray, President of the Congress of Industrial Organizations. The two officials urged the House Naval Affairs Committee not to approve labor legislation which might start an "undeclared war among ourselves" and divide the nation into groups.

Regarding their testimony, United Press Washington advices of March 26 said:

> "America is at war against powerful foreign foes who threaten our possessions, our freedom and our very lives," Mr. Green told the committee. "We cannot afford in such a crisis to take time out to fight another and undeclared war among ourselves here in America.
>
> "I charge that the sponsors and supporters of this bill are now waging an undeclared war against President Roosevelt and against the workers of America who believe in the policies of his administration."
>
> Mr. Murray made similar charges, and continued:
>
> "With their backs bent over their machines, their hearts and mind devoted to increased and ever increased production, the workers now look over their shoulders and find behind them with knife upraised, groups who would at this time renew old attacks upon the working man and his organization.
>
> "This committee has the grave responsibility of determining whether that knife will be plunged or whether the faith of labor in the agencies of government will be fulfilled and those who seek to drive wedges between groups, those who seek to revive old antagonisms, those who seek to weaken our national war effort by spreading suspicion and distrusts, are to be silenced once and for all for the duration."
>
> Messrs. Murray and Green insisted that the issue of speeding war production was not involved in the present fight to suspend the payment of time-and-a-half for work in excess of 40 hours a week.
>
> They cited Labor Department statistics that seven out of 10 war workers are now on a 48-hour week schedule.
>
> Both union chiefs argued that the only issue involved is whether present wage levels in war industries shall be maintained or reduced.
>
> "The present wage levels are now being slashed, not merely by rises in the cost of living, but by loss of income when working members of the family are drafted," Mr. Murray said.
>
> "Man for man the American workers are outproducing the workers of any other nation in the world.
>
> "Union seamen are day by day giving their lives, blown into the seas at night covered with burning oil. Such is the record of American workers."

Expands Typewriter Order

The War Production Board on March 27 amended the order restricting the production and distribution of standard and portable typewriters so as to make it applicable to wide-carriage typewriters, designed for statistical or accounting work. A previous amendment excluded wide-carriage machines. Manufacturers must now include wide-carriage typewriters in their production quotas for non-portable machines.

Items About Banks, Trust Companies

Fulton Trust Company of New York reports total deposits of $27,943,519 and total assets of $33,144,668 in its statement of March 31, 1942, compared with deposits of $29,593,181 and assets of $34,797,648 on Dec. 31, 1941. Cash, U. S. Government securities and demand loans secured by collateral totaled $26,413,189, against $27,401,247 at the year-end. State and municipal bonds were $2,503,566, compared with $3,073,627; time loans secured by collateral were $761,252 against $838,427 on Dec. 31, 1941. The undivided profits account, after provision for dividends in both cases, totaled $939,280 on March 31, against $933,845 at the year-end.

The March 31 statement of The Continental Bank & Trust Co. of New York shows that commercial loans and discounts increased to $24,355,857 from $20,728,045 on Dec. 31; collateral loans to $8,576,828 from $7,894,925 on Dec. 31; while call loans to brokers amounted to $4,497,455 against $5,773,990 at the end of 1941. Total deposits increased to $89,603,705 and total resources to $99,622,870 from $88,237,901 and $98,491,837, respectively, on Dec. 31. Cash on hand and due from banks are reported as $34,867,014 against $39,780,223 and holdings of Government securities increased to $8,742,470 from $8,655,862 on Dec. 31. Capital remains unchanged at $4,000,000 and surplus and undivided profits increased to $4,595,763 from $4,574,943 at the end of 1941.

Total assets of Clinton Trust Company of New York increased to $11,632,227 at March 31, 1942, from $11,269,628 at Dec. 31, 1941, and $10,507,022 on March 30, 1941, according to the bank's statement of condition at the end of the first quarter of 1942. Deposits on March 31, 1942, amounted to $10,431,862, compared with deposits of $10,121,722 on Dec. 31, 1941, and $9,312,814 a year ago. Surplus and undivided profits of the bank stood at $390,000 against $385,000 three months ago and $347,697 on March 30, 1941. Capital stock of Clinton Trust remained unchanged at $600,000, while capital notes stood at $75,000, unchanged from Dec. 31, 1941, but $25,000 less than the $100,000 reported at March 30, 1941. Loans and discounts were up to $3,128,095 at March 31, 1942, from $2,911,583 three months before, and $2,773,995 a year before. Other asset items compare as follows with the figures for three months ago and a year ago: cash on hand and due from banks, $3,266,506 against $3,462,227 and $2,857,352; investments in bonds, $4,687,824 against $4,392,909 and $4,349,222.

Guaranty Trust Company of New York announced on March 31 that with the enlistment on that date of its 300th member, nearly 10% of its New York staff are now serving in the armed forces of the United States. The 300 on leave of absence include men in every branch of military and naval service and comprise reservists, enlistments, former National Guardsmen and men called under the Selective Service Act.

Eighty members of the Guaranty's London staff are in the British military or naval service, according to the last available report, and, in addition, 20 members of that office are serving in the British Home Guard.

Charles A. Richards, former Assistant Manager of the Foreign Department of the Chase National Bank, New York, died of heart disease on March 30 at his home in Flushing, Queens. Mr. Richards retired last January, after serving 10 years in the post held by him. He started his banking career with the Flushing National Bank and was for a time connected with Bradstreet, now Dun & Bradstreet, Inc., financial service. Mr. Richards joined the Chase National Bank in 1925.

The Underwriters Trust Co., New York City, announces the removal on March 30 of its principal office to 50 Broadway.

J. P. Morgan & Co. Incorporated, New York, in its condensed statement of condition as of March 31, 1942, shows total resources of $693,491,887 and total deposits of $637,020,357, compared with $749,725,411 and $689,361,244 on Dec. 31, 1941. According to the current statement, cash on hand and on deposit in banks amounts to $230,318,782, against $251,630,571 three months ago; U. S. Government securities (direct and fully guaranteed) on March 31 are given as $318,023,388, compared with $356,023,513; State and municipal bonds and notes are now $35,691,020, against $33,993,423, and loans and bills purchased at $68,889,195 at the end of March compare with $63,918,203 on Dec. 31, 1941. The capital and surplus are unchanged from the close of 1941 at $20,000,000 each, while undivided profits, listed at $1,214,541, are also the same as three months ago.

The statement of the Chase National Bank of New York for March 31, 1942, shows deposits of $3,628,257,000, the largest deposit figure yet reported by the bank. This total compares with $3,534,967,000 on Dec. 31, 1941, and $3,617,530,000 on March 31, 1941. Total resources are now $3,899,439,000, compared with $3,811,803,000 on Dec. 31 and $3,890,245,000 a year ago; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks are shown as $1,254,614,000, compared with $1,248,516,000 and $1,557,501,000 on the respective dates; investments in U. S. Government securities on March 31 appear as $1,417,883,000, contrasting with $1,364,847,000 and $1,252,185,000; loans, discounts and bankers' acceptances amount to $830,806,000 against $802,221,000 and $690,342,000. On March 31, 1942, the capital of the bank was $100,270,000 and the surplus $100,270,000, both amounts unchanged. The undivided profits on March 31 amounted to $43,043,000, compared with $40,370,000 on Dec. 31, 1941, and $39,269,000 on March 31, 1941. Earnings of the bank for the first quarter of 1942, after increased allowance for taxes, amounted to 36 cents per share, compared with 41 cents a share in the first quarter of 1941.

The statement of condition of the Guaranty Trust Company of New York as of March 31, 1942, issued April, shows total resources of $2.555,077,767, and deposits of $2,256,851,588. Holdings of U. S. Government obligations total $1,040,616,951, and loans and bills purchased are $545,411,322. The company's capital and surplus are $90,000,000 and $170,000,000, respectively, and undivided profits total $19,470,856.

The statement of condition of Manufacturers Trust Company of New York as of March 31, 1942, shows deposits of $998.156,498 and resources of $1,094,006,798. This compares with deposits of $938,264,124 and resources of $1,035,422,005 shown on March 31, 1941. Preferred stock is shown as $8.892,780, common as $32.998,440, and surplus and undivided profits as $42,167,116. Undivided profits account has been reduced by $750,003, the amount required by preferred stock sinking fund operations for the full year. This amount is shown on the statement as a reserve for that purpose. When this amount of preferred stock is actually redeemed about May 12 next approximately $300,000, representing $20 a share, it is stated, will be deducted from preferred capital stock account and restored to undivided profits. Net operating earnings for the three months ending March 31, 1942, after preferred stock dividend, amortization, reserve for taxes, etc., amounted to $1,508,331, or 91 cents a share, as compared with $1,591,561, or 96 cents a share, for the corresponding period last year.

The Chemical Bank & Trust Company of New York reported as of March 31, 1942, deposits of $1,009,608,632 and total assets of $1,098,302,223 compared, respectively with $1,014,109,864 and $1,101,728,374 on Dec. 31, 1941. Cash on hand and due from banks amounted to $371,778,098, compared with $377,335,460; holdings of U. S. Government securities to $328,050,121 against $321,211,478; and loans and discounts to $156,926,040 against $156,455,076. Capital and surplus were unchanged at $20,000,000 and $50,000,000, respectively, and undivided profits were $9,369,690 against $9,161,724 at the end of December. The indicated net earnings on the bank's 2,000,000 shares (par $10) amount to $0.55 per share for the first quarter of 1942 as compared with $0.50 per share for the same quarter a year ago.

At a meeting of the Board of Managers of the New York Coffee and Sugar Exchange held on April 2 it was voted to close the Exchange for trading purposes on Saturdays during the months of April and May. The by-laws and rules of the Exchange already provide for Saturday closing during the months of June through Sept.

The First National Bank of the City of New York, in its statement of conditions at the close of business on March 31, 1942, shows total resources of $900,866,271 and total deposits of $776,149,295, compared with $962,710,227 and $837,545,082, respectively, on Dec. 31, last. Cash and due from Federal Reserve Bank and other banks, including exchanges, in the latest statement are given as $250,464,514, against $296,986,908 on the earlier date; holdings of United States Government obligations, are now $440,377,478, compared with $458,194,913; and loans and discounts are shown as $53,582,507, against $50,570,193. Capital and surplus remain unchanged at $10,000,000 and $100,000,000, respectively. Undivided profits in the current statement are shown at $10,047,701, after making provision for the April 1 dividend of $2,000,000, as compared with $10,278,417 on Dec. 31, after providing for the Jan 2 dividend of $2,000,000.

Total assets and deposits of Brown Brothers Harriman & Co., private bankers, established new high levels on March 31, 1942. The financial statement for that date shows total assets of $162,019,786, compared with $157,643,704 on Dec. 31, 1941 and $148,053,927 on March 31, 1941. Deposits increased to $137,462,686 against $133,722,124 at the end of 1941 and $124,388,489 on March 31, 1941. Capital and surplus of $13,385,363 compared with $13,365,284 three months ago and $13,305,052 a year ago.

Loans and advances increased to $30,325,602 against $30,113,560 on Dec. 31, 1941 and $26,174,148 on March 31, 1941. Other important asset items compare as follows with the figures for three months ago and a year ago: Cash $40,651,166 against $41,291,083 and $41,082,727; United States Government Securities (valued at lower of cost or market) $56,418,797 against $51,535,932 and $46,554,589; marketable bonds and stocks (valued at lower of cost or market) $13,545,845 against $13,287,282 and $12,704,686.

At a meeting of the Trustees of the United States Trust Company of New York held on April 2. Armitage Morrison was appointed an Assistant Secretary.

At the regular meeting of the Board of Directors of The National City Bank of New York on March 31, John M. Potter was appointed an Assistant Vice-President and Paul W. Kimzey was appointed an Assistant Cashier. Mr. Potter was formerly an Assistant Cashier. Both men are located at the Head Office.

On Monday afternoon, April 6, Manufacturers Trust Company officially unveiled two bronze tablets erected in the entrance foyer of its principal office at 55 Broad Street, New York, and that contain the names of about 225 officers and employees of the bank who are now in military service. Harvey D. Gibson, President of the bank, delivered a brief address at the unveiling. Space has been provided on these tablets for several hundred additional names, as the bank anticipates that by the end of the year as many as 300 or 400 members of its staff will be serving with the armed forces of the United States.

The New York Trust Company reports as of the close of business on March 31 total resources of $579,318,492 and total deposits of $535,323,438. This compares with resources of $580,838,745 and deposits of $537,081,903 on Dec. 31, 1941. Cash on hand and in Federal Reserve and other banks, including exchanges, collections and other cash items, under the latest date, amounts to $182,170,387 as against $218,783,283 three months ago; U. S. Government obligations (direct and guaranteed) now at $223,755,086, compare with $196,596,510, and loans, discounts and bankers' acceptances are $136,341,986, against $134,157,858. The bank's capital and surplus are unchanged from three months ago at $12,500,000 and $25,000,000, respectively, while undivided profits total $3,574,721, as compared with $3,383,773 at the end of December.

According to the March 31, 1942, statement of condition of the Public National Bank and Trust Co. of New York, total resources amount to $208,835,241, while deposits are reported at $187,738,862. This compares with resources of $209,515,670 and deposits of $187,299,297 on Dec. 31, 1941. Cash and due from banks in the current statement are given as $56,346,054, against $77,275,924; loans and discounts are shown as $87,518,976, compared with $72,361,738, and U. S. Government obligations stand at $51,351,579, against $44,690,148. Capital and surplus at the latest date are unchanged at $7,000,000 each and undivided profits are $4,176,953, against $4,059,988 at the end of 1941.

The Commercial National Bank & Trust Company of New York reported as of March 31, 1942, total deposits of $157,415,278.13 and total assets of $177,504,199.72, compared respectively with $160,709,499.81 and $181,100,139.70 on Dec. 31, 1941. The bank held cash on hand and due from banks of $62,268,430.64 compared with $65,981,080.26; investments in U. S. Government securities of $70,789,285.50 compared with $70,457,549.48; and loans and discounts of $35,234,122.50 compared with $36,281,004.30. The bank's capital amount was unchanged at $7,000,000 and its surplus and undivided profit account increased to $9,153,176.40 from $9,094,264.13 after the payment of regular quarterly dividend.

Statement of condition of Sterling National Bank & Trust Co. of New York as of March 31, 1942, shows total resources of $47,911,091 as compared with $46,041,338 at the year-end. Capital, surplus and undivided profits increased during quarter to $4,030,164, compared with $4,016,459; reserves rose from $610,714 to $668,352; while deposits advanced to $41,704,054, an increase from $40,810,045. Feature of the statement was expansion of loans and discounts from $22,938,535 at year-end to $27,093,206 on March 31. Cash and due from banks declined from $15,544,818 to $14,355,728, while holdings of U. S. Government securities were substantially unchanged, aggregating $4,996,321 as compared with $5,016,526. Holdings of State, municipal and corporate securities decreased from $1,827,597 to $797,822.

The Empire Trust Co., New York City, announces the promotion of Walter G. Schaerer from Assistant Secretary to Assistant Vice-President in charge of the Hudson office at Broadway and 39th Street.

The statement of condition of the Brooklyn Trust Company of Brooklyn, N. Y., as of March 31, 1942,showed total deposits of $143,139,698, comparing with $139,374,550 on Dec. 31, 1941. Total resources were $158,704,230 against $155,506,025 at the year-end. Cash on hand and due from banks March 31 was $51,945,436, against $49,461,430, and holdings of U. S. Government securities were $56,872,278, against $53,211,270. Total loans and discounts were $30,614,447, against $33,682,646. Undivided profits were $1,423,410, against $1,418,676. Capital and surplus were unchanged at $8,200,000 and $4,600,000, respectively.

The Philadelphia National Bank, Philadelphia, reports in its statement of condition as of March 31 total deposits of $623,620,165 and total assets of $679,076,711, compared, respectively, with $629,732,560 and $684,347,113 on Dec. 31, 1941. Cash on hand and due from banks on March 31 amounted to $292,650,737, against $304,524,667; holdings of U. S. Government securities on March 31 are shown as $227,206,143, against $221,215,634; and loans and discounts total $94,383,559, against $91,630,774. Capital is unchanged at $14,000,000 while surplus and net profits are now $32,536,119, against $32,295,272 at the end of December, 1941.

The Ohio Citizens Trust Co., of Toledo, on March 28 observed its tenth anniversary. Willard I. Webb, Jr., President, according to the Toledo "Blade," said the bank's deposits have increased every year except one during the 10-year period and now stand at more than $18,000,000. It is added that nearly 1,000 individuals and corporations subscribed to the bank's original capital of $350,000. Today the capital stock, surplus and undivided profits are reported in excess of $1,500,000.

Asks New Name For War

President Roosevelt on April 3 requested that the American people suggest a new name for the war. Saying that the names "Second World War" and World War II were not very good, the President told his press conference that the new name should be short but express the thought that this is a war to preserve the democracies and the small people of the world. He said that Federal agencies engaged in the war effort had asked for a name and he would prefer one suggested by the people.